

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 25, 1927

B R O A D C A S T I N G

MILWAUKEE'S pleasure in having the Wisconsin Agents convention here last week and . . .

Our standing invitation to drop in our office whenever you are in Milwaukee . . .

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MILWAUKEE, WISCONSIN

Wisconsin Managers for . . .

Underwriters Casualty Company

. . . and . . .

Union Automobile Insurance Co.

AUTOMOBILE INSURANCE

— Protection —

*Independent Writing in
all classes of
Automobile Insurance*



TO INSURANCE AGENTS
AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis
Incorporated
Engineers

115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

1794

1927

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Fire—Lightning
Tourist Baggage
Inland Transportation
Use & Occupancy

Windstorm
Automobile
Parcel Post
Rent Insurance

Acquire
THE OLD "STATE OF PENN"

A Company for Good Agents

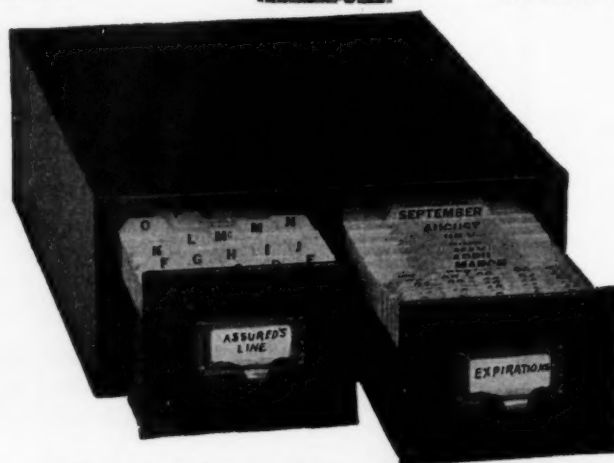
Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

OFFICE SYSTEM **The Rough Notes Co.** INSURANCE SUPPLIES
EVERYTHING FOR THE INSURANCE MAN
MINNEAPOLIS



CARD INDEX SYSTEMS

for Local Agencies

A CARD INDEX SYSTEM for keeping your line and expiration records is efficient and a great time-saver. It is inexpensive, and no other method is so easy to operate. Your records consist wholly of live business—no dead wood—every fact right at your finger tips, and all of it growing and expanding with your business.

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THE EXPIRATION CARDS are filed by year, month and day in accordance to the expiration date of the policy. Each day's expirations automatically coming to the front. THE ASSURED'S LINE CARD is filed alphabetically, according to the assured's name. It gives a complete record of the expiration cards as well as an index to them.

TWO-DRAWER OUTFIT, CONSISTING OF:
Two-Drawer 3x5 Inch Steel Cabinet, 1,000 Expiration Cards, 1,000 Assured's Line Cards, Form F-2, 1 Set Each, Alphabetical (40 Sub-Div.), Daily, Monthly and Yearly Guides.
Special Price, Complete Outfit, \$13.75

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1362 Insurance Exchange
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1799-1927

Down the Roll Call of the PRESIDENTS

Since 1799 when Washington was spending his last days at Mount Vernon the Providence Washington has been present at every Presidential roll call.

Down the line of twenty-nine chief executives the Providence Washington has come answering at every roll call with a spotless record of obligations, equitably and promptly met.

PROVIDENCE WASHINGTON INSURANCE COMPANY PROVIDENCE, RHODE ISLAND

"It Spans Three Centuries"

ABRAHAM LINCOLN
March 6, 1809-April 15, 1865

WARREN G. HARDING
March 4, 1921-August 1, 1923

GEORGE WASHINGTON
April 30, 1789-March 4, 1797

CALVIN COOLIDGE
August 3, 1923-

JOHN ADAMS
March 4, 1797-March 4, 1801

THOMAS JEFFERSON
March 4, 1801-March 4, 1809

WOODROW WILSON
March 4, 1913-March 4, 1921

JAMES MADISON
March 4, 1809-March 4, 1817

JAMES MONROE
March 4, 1817-March 4, 1825

THEO. ROOSEVELT
Sept. 14, 1901-March 4, 1909

WILLIAM H. TAFT
March 4, 1909-March 4, 1913

WILLIAM MCKINLEY
March 4, 1897-Sept. 14, 1901

JOHN QUINCY ADAMS
March 4, 1825-March 4, 1829

GROVER CLEVELAND
March 4, 1895-March 4, 1899

BENJAMIN HARRISON
March 4, 1889-March 4, 1893

ANDREW JACKSON
March 4, 1829-March 4, 1837

MARTIN VAN BUREN
March 4, 1837-March 4, 1841

CHESTER A. ARTHUR
Sept. 20, 1881-March 4, 1885

WM. H. HARRISON
March 4, 1801-April 4, 1841

FRANKLIN D. ROOSEVELT
March 4, 1901-March 4, 1909

JOHN TYLER
April 4, 1841-March 4, 1845

JAMES KNOX POLK
March 4, 1845-March 4, 1849

UTHERFORD B. HAYS
March 4, 1877-March 4, 1881

JAMES A. GARFIELD
Sept. 4, 1881-Sept. 19, 1881

LYSSES S. GRANT
March 4, 1869-March 4, 1877

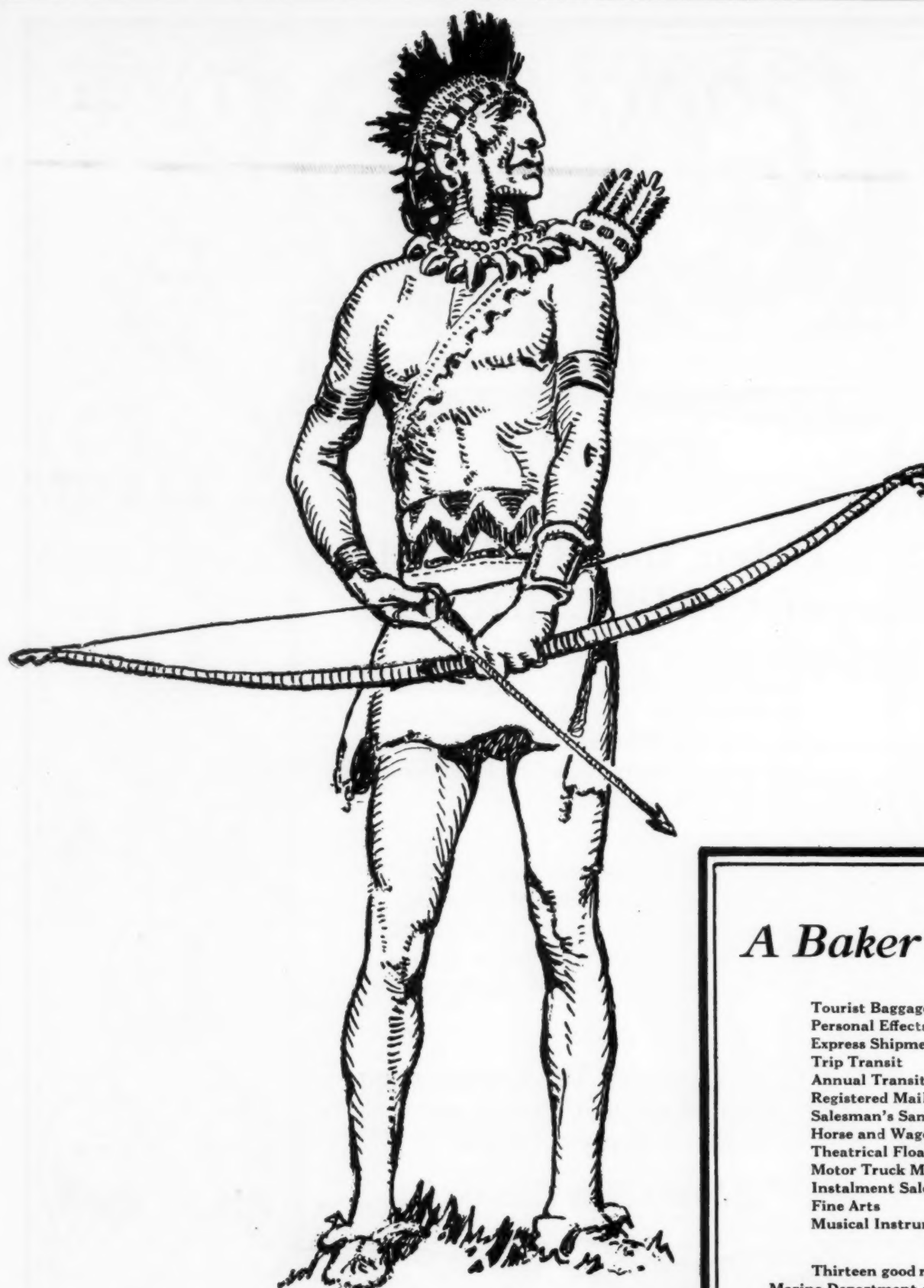
JAMES BUCHANAN
March 4, 1857-March 4, 1861

FRANKLIN PIERCE
March 4, 1853-March 4, 1857

ZACHARY TAYLOR
March 4, 1849-July 9, 1850

ANDREW JOHNSON
April 15, 1865-March 4, 1869

MILLARD FILLMORE
July 26, 1850-March 4, 1853



"AMERICA FORE"

A Baker's Dozen

Tourist Baggage
Personal Effects
Express Shipments
Trip Transit
Annual Transit
Registered Mail
Salesman's Samples
Horse and Wagon
Theatrical Floaters
Motor Truck Merchandise
Instalment Sales
Fine Arts
Musical Instruments

Thirteen good reasons why the Inland
Marine Department of the First American
is a business building asset to any agency.

**FIRST AMERICAN
FIRE INSURANCE COMPANY**

EXCESS OVERS. COMPANY OF THE STATE
OF NEW YORK, INCORPORATED
EIGHTY MAIDEN LANE, NEW YORK, N. Y.

CASH CAPITAL — ONE MILLION DOLLARS

NEW YORK CHICAGO MONTREAL SAN FRANCISCO

The National Underwriter

Thirty-first Year, No. 34

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, AUGUST 25, 1927

\$4.00 Per Year, 20 Cents a Copy

MUCH INTEREST TAKEN IN WESTCHESTER DEAL

Not Felt That Its Position in
the Western Union Is
Jeopardized

MEMBERSHIP IS PERSONAL

Influence of Powerful Fleet Probably
Will Soon Be Felt in Fire
Insurance Field

There has been no subject in Western Union territory discussed with greater interest during the last week than the purchase of a large share in the Westchester and Delaware by Crum & Forster, the well known New York insurance men. The announcement that Crum & Forster had acquired a large block of stock and thus become big factors in the institution came as a surprise. While jurisdictional affiliations do not cut any figure in other sections the fact that Crum & Forster companies belong to the Western Insurance Bureau and the Westchester and Delaware to the Western Union injects into the situation a peculiar factor in the central west, one that has not confronted the Western Union in times past. The Western Union leaders seem to agree that if Crum & Forster have merely purchased a financial interest and the Westchester and Delaware are not affiliated with the other Crum & Forster companies in a business way, their situation in the Union is not jeopardized.

Say Position Is Not Changed

Membership in the Western Union is personal. If therefore, the Westchester is to continue as it now is through its present management both at the head office and in the western department as has been announced it is difficult to see how its position in the Union will be changed. Under the rules of the Union there can be no reinsurance back and forth between Western Union and Western Insurance Bureau companies. If the management is kept distinct and there are no underwriting affiliations so far as reinsurance is concerned in the western department, there will be no change in the attitude of the Western Union toward the Westchester. There has never been a case where a Western Insurance Bureau office like Crum & Forster has purchased a large block of stock in a Western Union company to that extent where the owners become real factors in the management.

Influence Will Be Felt

It is not thought that Crum & Forster own the financial control of the Westchester and Delaware. They have however undoubtedly become by far the largest single stockholder and therefore will wield much influence. Crum & Forster's influence both financially and

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THINGS RATES DON'T DO

A Discussion of Rating Methods and the Human Factor as Reflected in Losses

BY JOSEPH G. HUBBELL

Manager, National Inspection Company

FIRE insurance rates are published and quite generally accepted as comparative estimates of fire hazard. The insuring public, generally, so regard them, and many assureds feel that if they pay the published rate, the issue is closed. In the mind of the ordinary assured the premium is a tax and, like all taxes, it is always too high. The presumption that the rates of premium charged by insurance companies conceal an exorbitant profit is so ingrained that it is almost a waste of energy to try to discuss the question with individuals or before any public assembly. That such views are erroneous can be proven quickly enough by sinking some money in a new fire insurance company.

Rate Is Analysis

The rate is not a price set; it is an analysis of a physical assembly, mostly in terms of features of construction contributing to the spread or restriction of a fire in a structure, as compared with the same features in other structures. Competition presses us to carry the analysis to the point where recognizable factors are all taken account of, but there still remain a lot of factors which are not susceptible of analysis.

A rated building, unoccupied, unexposed, locked up, and unendangered by any human traffic, has only one fire hazard—the remote one of lightning. If occupied, there immediately appear two factors: one, the fire accidents attendant upon human use and occupancy everywhere; the other, accidents arising from possible inherent hazards in the merchandise or mechanism of the occupancy.

Is Only Theoretical

As a matter of fact, the unoccupied rate of a building is theoretical only; it includes a lot of factors traceable only to experience on occupied property. Wall thickness, floor construction, ele-

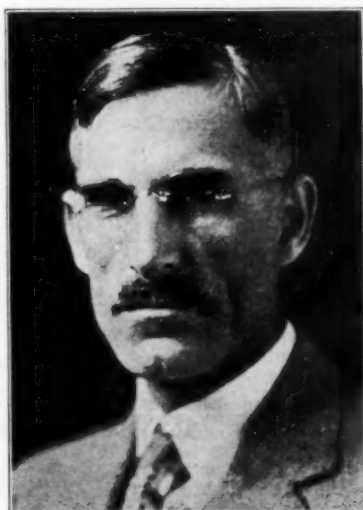
vator openings, stairways, and light wells don't start fires. Except lightning, fires start only by human agency or by hazards arising from equipment essential to human use. Even in the rate on an occupied basis there is always a lag of five or ten years before loss experiences become effective in changing the rate on a class. Also, the comparative estimate published on any risk makes no allowance for the sort of individual conducting the business. An enterprising man may get his rate reduced, but a laggard rarely succeeds in producing an increase in his unless he is flagrantly careless.

Is Point of Departure

A rate is merely a point of departure; it is a good average estimate. It sums up all the averages of good and bad property management, of honesty and dishonesty, of ignorance and wisdom, and all gradations of concern from sheer imbecility and stubborn neglect to the keenest watchfulness. Likewise, it has wrought into its fabric, all the mistakes and successes of company management, loose adjustments and tight ones, accommodation lines and cautiously written ones, and taxes.

The biggest factor affecting fire losses is quality of ownership, and it does not enter into the make-up of the individual fire rate. Hence it ought to be pretty clear that risks which show average care, or better, ought to show an underwriting profit, and those which show care poorer than the average ought to show an underwriting loss. The burden of my argument today is that successful underwriting depends almost wholly on the discernment exhibited in selecting business on the basis of the ability and concern of the owner or operator of the property as revealed in the manner of operation of the property, and in sticking to that policy. I have figures which prove exactly what I have said, and I

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JOS. G. HUBBELL, Chicago
President and Manager National Inspection Company



W. E. HARRINGTON
Chairman National Agents Association
Executive Committee

PLANS FOR CONVENTION OF AGENTS CONSIDERED

Executive Committee of National
Association Holds Meeting
in Atlanta

FEW OUTSIDE SPEAKERS

Will Give Attention to Study of Successful Business Methods and Modern Management of Agencies

ATLANTA, GA., Aug. 24.—A docket of upwards of 50 items ranging from local problems to approval of a five year nation-wide membership campaign, was disposed of at the meeting of the executive committee of the National Association of Insurance Agents held in Atlanta last week. Although so much work was on hand there were opportunities for the Atlanta agents to entertain the visitors with a luncheon given Friday by the Atlanta Board and an informal party at which W. E. Harrington, chairman of the committee, was host.

Draft Convention Program

One of the largest tasks consumed by the committee was the drafting of the program for the annual convention in New Orleans the week of October 17. The general idea will be the discussion of methods looking to the most modern management of the agency business, protection of the agents' interests and the development of the details that will make for greater efficiency, increased income, a full measure of service and perfect public relations. The report of the better business methods committee, of which Mr. Harrington is chairman, revealed much progress, and this will be in shape to make a comprehensive presentation to the convention.

Approve Advertising Service

Approval of the national advertising service prepared by the association for use of members, announced recently, was given by the committee after close study.

Various board and a number of individual agents have voiced approval and readiness to cooperate with the national body on the plan, and the executive committee feels the whole matter is a big step forward. The National association's budget was approved. It was found that the finances of the organization are in highly satisfactory condition, so the work planned for the coming year can be carried on with greatest confidence.

Study Membership Campaign

One of the most interesting features was the discussion of the plan to begin an intensive drive for an increase of membership, which contemplates thorough combing of the entire country for five years. The aim is to stress organization of new local boards, broadening the scope and increasing the membership.

(CONTINUED ON NEXT PAGE)

BIG OPPORTUNITY IS OPEN AS AUTUMN APPROACHES

FUR POLICY TO BE PUSHED

**Companies Writing Line Urge Local
Agents to Start Canvass
for Business Now**

Companies writing the all-risk fur policy have begun at this early date to urge local agents to start a canvass for fur business in their communities, and a larger amount of this business is expected this year than in any previous year. The furriers themselves report that more interest was created by fur shows this year than ever before, and they expect greater sales.

The all-risk fur policy, which covers in all situations, is written on application. The business can be produced by any local agent and it does not have to be brokered, as formerly, when London Lloyds was the only organization writing the line.

Is Large Field

The majority of the feminine population of the United States wears furs in winter. The amount of business available therefore is very large. The premium on an average fur coat or other fur article is small, but the amount of the business that can be written is so large that a good income can be developed from furs alone. The local agent who pushes the fur line not only is giving service and creating immediate income, but also is gaining an entree to other business.

PLANS FOR CONVENTION OF AGENTS CONSIDERED

(CONT'D FROM PRECEDING PAGE)

ship of those existing, and raising some that are dormant to a plane of activity. The committee in charge of the work, cooperating actively through the office of Secretary Bennett, will soon be prepared to keep the machinery for the big drive in constant motion. A start has been made already, with field secretaries working in some states at the present time. The committee feels the prospect of swelling the ranks through the local board appeal is more effective than by a canvass of individuals.

The general impression concerning the bank agency question was that the situation is in much better shape than previous to the executive committee's notable recommendation last year.

Speakers from Agency Ranks

That interest in the New Orleans convention business sessions will be heightened was indicated by the approval of the plan for the speakers and leaders of the discussions to be all agency men and members of the association, with the usual heavy list of outside speakers curtailed or eliminated.

While the national executive committee was in session, the executive committee of the Georgia association came to Atlanta for a "get acquainted" meeting Friday, and its members were also guests of the Atlanta board at the luncheon that day. Members of the National committee attending were: Frank L. Gardner, president of the association; Walter H. Bennett, secretary-treasurer; W. Eugene Harrington, chairman; Donald G. North, R. P. Devan, Ben L. Agler, Clifford A. Payne and J. A. Giberson, who is also chairman of the National association's finance committee. Georgia association executive committeemen present were: Sidney O. Smith, Gainesville, chairman; E. B. Harrold, Macon; W. Julian Thomas, Atlanta; C. F. Powers, Savannah; S. V. Conyers, Dublin; W. C. Pease, Jr., Columbus; B. R. Bloodworth, Athens, and J. Cliff Parker, Tifton. President Albert R. Menard, Macon, and H. B. Taylor, Augusta, secretary, also were among the visitors.

"PRINCIPLES OF EFFECTIVE LETTER WRITING"

Some Thoughts on a New Book

BY J. W. LONGNECKER

Author of "Advertising Property Insurance"

WHEN I picked up the book, "Principles of Effective Letter Writing," just published by the McGraw-Hill Book Company, 370 Seventh avenue, N. Y., I set myself the task of reading it to seek out and set down anything that might be interesting or helpful to the local agents of America.

To get into the right mood—and books appeal to one differently according to moods—I thought back over the thousands of letters I have received from local agents. I asked myself this question, "Is this book something I can ask THE NATIONAL UNDERWRITER to recommend to agents?"

Approval Is Hearty

I had read only a few of the chapters when I felt as Stevenson, the dearly beloved, did after he had read Dickens' "A Christmas Carol." "Dear God!" he wrote, "it is good."

But it is not a book for the average agent. It cannot be read in a few minutes on a dreary, drizzly day. Nor will it appeal to the agent who loses interest in this subject of effective letters when he looks at the index and finds no mention of a letter that will sell a big line of business interruption insurance nor one that it is guaranteed will collect a past due premium from a deadbeat policyholder.

True, that agent will find a lot about selling letters, and samples like the letter that was sent to a total mailing of 1,500,000 and sold 1,250,000 books in 68,000 orders. Chapter X is entirely devoted to collecting money by letters. Unfortunately the book was not written specifically for insurance agents, but an insurance agent can read it and adapt its principles—if he will.

There are many reasons why "Principles of Effective Letter Writing," as put into this new book by Lawrence Campbell Lockley, M. A., are good. Perhaps the outstanding reason is Mr. Lockley's training and experience. He is the correspondence director of the First National Bank of Los Angeles and the Pacific-Southwest Trust & Savings Bank; associate professor of English at the University of California; president of the Better Letter Association of Los Angeles; and author of another book called "Making Letters Build Business."

Perhaps, though, the real reason for

the excellence of the volume, and its value to the student of better letters, lies in the manner in which it combines the two points of view necessary for an understanding of letter writing. Most of the books on this subject, and they would fill a big book-case, lean toward one of two extremes. Some are academic and are written as a schoolmaster talks—to the disadvantage of the use of its ideas. Others are written by men who, while they have had a world of practical experience, cannot put their information down in a simple-to-complex arrangement so that it is easy and helpful to study. The book just out blends these two methods.

Perhaps good letters, like good advertising (or good reviews) are not just written but are re-written. However that may be, Mr. Lockley says: "The writing of good and effective letters is surely a goal worth striving for. If the reader wants to make his own letters good, he must first look to the three fundamentals of the letter-writing point of view. He must realize the existence and grasp the significance of the element of service in each letter. He must present the message of each letter from the point of view of the reader. And he must allow his own personality to come into his letter to make friends for him; this he can do only by writing naturally."

Improvement Is Seen

What does this mean to local agents? It means that there is a fast growing group of agents who are becoming excellent letter writers. It means that in the competition of the local agent with other salesmen for the attention of his prospect, the insurance man is turning to the recorded wisdom of business men, as set down and reported in good books, and while they regret the fact that insurance has only a limited literature of its very own, these agents are studying and applying the things men are learning about business generally to the specific needs of their branch of it. They no longer follow the tyranny of the past like the man who, suddenly called upon to say grace at a family dinner, said:

Dear Lord: We thank Thee for all Thy favors of recent date. Permit us to express our heartfelt gratitude. We

(CONTINUED ON PAGE 18)

WILLIAM S. CRAWFORD COMMENTS ON DEAL

SEES "PECULIAR SPECTACLE"

**Calls Union and Bureau Aspect of Crum
& Forster-Westchester Contract
Surprise Element**

William S. Crawford, insurance editor of the New York "Journal of Commerce," has the following to say by way of comment on the Crum & Forster-Westchester deal, recently consummated:

Last week the fire insurance world was surprised by the announcement of the big deal between Crum & Forster and the Westchester Fire. The surprise was mainly due to the fact that in the west Crum & Forster are affiliated with the Western Insurance Bureau, while the Westchester is a Union company. Pains were taken to make it clear that the arrangement would in no wise violate the rules of these two organizations.

Separation Argued

At the same time lawyers, paid on the one side by the Bureau and on the other by the Union, were arguing before a Federal Court in the Northwest the constitutionality of the North Dakota anti-separation law.

These two events occurring simultaneously call attention to the very peculiar spectacle the fire insurance companies are presenting to the public. In the east, the south and the Pacific coast territories nearly all the leading companies are cooperating, but in the west they are divided into two groups which are fighting each other.

All But West Progresses

Except in the west cooperation has made marked progress in the past three or four years. It does not add to the confidence in the sincerity of this cooperation when it is bounded by state lines. It does not appear in keeping with sound business policy that when two companies desire to make an agreement which promises advantages to both they should be obliged to make exceptions because two organizations exist in one part of the country, although the companies find one organization sufficient in each of the other sections.

Part of Value Lost

An example of what this condition is costing came last spring when Crum & Forster, having reinsured the Union of Canton, a Union company which desired to retire from this field, lost part of the value of their purchase through the existence of two antagonistic organizations in the west. Crum & Forster lost something that time, but a Union company is just as liable to lose something if it should reinsure or buy a non-Union company. Sales of control of companies are frequent enough these days so that neither the seller should have the price of his property depressed nor the purchaser lose part of the value of his purchase because years ago separate organizations were formed in the west and have continued after conditions in the business have materially changed.

No Decision Is Reached

SAN FRANCISCO, Aug. 24—Following an all-day conference between the committee of the Pacific Board and the committee of the California Association of Insurance Agents regarding the protests over the change in the farm tariff, definite action was deferred until Aug. 30, when another meeting will be held. Meanwhile suggestions made by both committees are receiving consideration.

Joseph C. Dunks, for the past 20 years a local agent of Princeton, Ind., died last week.

CONDENSED NEWS OF THE WEEK

Executive committee of National Association of Insurance Agents, meeting at Atlanta, considers plans for annual convention in New Orleans in October. **Page 3**

Much interest in purchase of large block of Westchester stock by Crum & Forster. **Page 4**

Annual meeting of the Wisconsin Association of Insurance Agents was held last week. **Page 5**

Commissioner Wyson of Indiana is giving attention to financial strength of reciprocals in state. **Page 8**

William S. Crawford, insurance editor of the New York "Journal of Commerce," comments on complication in Crum & Forster-Westchester deal. **Page 4**

F. P. Stanley of Norwich Union Indemnity urges agents to learn more about the casualty insurance business. **Page 30**

J. W. Longnecker reviews book of effective letter writing. **Page 4**

Program for the annual meeting of the Pennsylvania Association of Insurance Agents is announced. **Page 33**

Greater interest in the needs of the business by individual agents is urged by D. O. Stine in an address before the Wisconsin agents. **Page 8**

Rating methods are discussed by Joseph G. Hubbell, manager of the National Inspection Company. **Page 3**

Agency qualification and its relation to underwriting was discussed by D. J. O'Keeffe before Wisconsin agents. **Page 10**

"What is wrong with the fire insurance business?" is answered by W. H. Riker, assistant western manager of the North America. **Page 16**

Interests connected with the Republic Casualty Underwriters of Springfield, Ill., have purchased the Illinois Indemnity of Chicago. **Page 37**

Superintendent Beha of New York will give address at joint convention of International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents. **Page 37**

Proposed revision of compensation rates in New York, effective Oct. 1, has been deferred indefinitely. **Page 39**

Interesting situation is developing in acquisition cost rules. **Page 39**

J. G. Yost explains bankers' blanket bonds. **Page 37**

Rates for compulsory automobile liability insurance in Massachusetts have given satisfactory experience. **Page 37**

INTEREST IN GROUPS AND WESTCHESTER DEAL

**Crum & Forster Now in Lead for
Number of Companies
in Fleet**

AHEAD OF THE HARTFORD

**Latter Has 16 While C. & F. Have 17
at Present—Move Up On
Premiums**

NEW YORK, Aug. 24.—The securing of control of the Westchester Fire and Delaware by Crum & Forster has put that group of companies well to the fore and brings to public attention the marked tendency toward the strengthening of powerful groups. The Hartford Fire has 16 different companies and underwriters agencies forming its flotilla. Counting the Delaware Underwriters as an additional source the Crum & Forster group now passes the Hartford Fire numerically. The Hartford Fire group consists of the Hartford Fire, New York Underwriters, Citizens of Missouri, Northwestern Fire & Marine, Twin City, Henry Clay, Federal of New Jersey, Rocky Mountain, Stonewall, Southern Home, Columbia Fire, London Mutual of Canada, Dixie Fire, Middle West Underwriters, United American Underwriters and Treaty Underwriters. Formerly the Sterling of Indiana was connected with the Hartford, but it is now liquidating so that Crum & Forster now go the Hartford one better.

Hartford Leads in Premiums

The Hartford group led all the other fleets last year in premiums, its total being \$62,295,118, which however was a decrease from the year before when the figure was \$70,298,642. This was due to the trimming process that went on all along the line, resulting in a decrease of \$8,000,000 in premiums last year. With the acquisition of the Westchester and Delaware, the Crum & Forster premiums amounted to \$48,631,066 in 1926, making that aggregation fourth so far as premiums are concerned. This noses out the Royal group consisting of the Royal, Liverpool & London & Globe, Queen, Star, Newark, American & Foreign, Federal Union, Newark Under-

writers, Royal Underwriters, Georgia Underwriters and Anglo-American Underwriters.

The assets of the Crum & Forster group are \$84,191,502, the Royal still maintaining fourth place by a shade of the hair, this figure being \$84,907,014. The America Fore group, consisting of the American Eagle, Continental, First American, Fidelity-Phoenix, Continental Underwriters, Phoenix Underwriters, Farmers of Cedar Rapids department, and Eagle California Underwriters, is first in assets, the figure being \$139,980,089. The second combination in assets is the Home of New York group, consisting of the Home of New York, Franklin, City of New York, Carolina, Harmonia, Homestead, Home Underwriters, Hibernia Underwriters, Nova Scotia Underwriters, Franklin Underwriters, Winnipeg Underwriters and Los Angeles Underwriters. Its assets are \$112,279,698. The America Fore was first in increase in assets. It also leads in capital and surplus, the total of that item being \$67,367,082. By its new acquisitions the Crum & Forster group in capital and surplus, runs from \$26,667,415 to \$32,294,137.

Increase in Recent Years

One of the interesting features of the group is the numerical increase in recent years. President Neal Bassett of the Firemen's for example has done much to increase that group, consisting of the Firemen's, Girard F. & M., Mechanics, National-Ben Franklin, Superior, Concordia, Capital of New Hampshire, Firemen's Underwriters, Girard Underwriters, Mechanics Underwriters, Pittsburgh Underwriters and Keystone Underwriters.

COMPANIES STILL CAUTIOUS

**Pyroxylin Lacquers as Hazard Almost
Drop Out of News, but Dangers
Have Not Been Removed**

Pyroxylin lacquer paint spraying hazards, which for some weeks after the Briggs loss in Detroit occupied the attention of the fire companies and gave rise to much speculation on future practice on risks involving spray painting, have almost dropped out of the news, although the companies are still extremely cautious on the line.

After the Detroit disaster a number of spray painting risks were cancelled off companies' books, and reinspections of many risks were called for and made. In some instances the underwriters have given the reinspected risks an altered status.

The establishments having most trou-

ble obtaining coverage are the plants in which the lacquer paints are made. The number of these has multiplied many times since methods of applying the lacquers have been perfected. Every paint maker who has obtained a formula is producing the lacquers, and the field of their use has widened greatly since the war.

It is claimed in some quarters that the virtues of the lacquers, especially as automobile body finishes, have been overrated considerably. The principal objection is that the element in them that is supposed to prevent cracking does not function well over a long period of time, that it becomes brittle and that the paint flakes off. It is reported that paint makers are aware of this imperfection, and are working to overcome it.

BLUE GOOSE PLANS TOUR COVERING TEXAS CITIES

MILWAUKEE, Aug. 24.—Grand Welder Paul E. Rudd has advised all wielders of the Blue Goose of the proposed excursion trip through Texas to the border of Mexico after the grand nest meeting. A tentative itinerary mapped out by one of the railroad companies schedules the start at Dallas Thursday night, Oct. 27, for San Antonio where Friday will be spent. On Friday night the ganders will proceed to Laredo, which is just across the Rio Grande river from Nuevo Laredo, Mexico, and Saturday and Sunday will probably be spent at these two cities. The schedule will bring the party to Houston early Monday and it is probable that both Houston and Galveston may be covered in one day, the trip to Galveston being made by boat, returning by trolley or train. Tuesday the party will leave for New Orleans. The Chicago train on the Illinois Central is to leave New Orleans at 7:45 p. m.

Those taking the excursion would take advantage of the winter tourist rate which will probably prove somewhat less than the certificate fare that will be possible for those only going to Dallas. If the majority wish to take advantage of the low Pullman rates obtainable by having 25 people to the car, it will save more money.

Prepare for Prevention Week

The South Dakota Fire Prevention Association held a meeting for the purpose of preparing for Fire Prevention Week. It expects to have every member in the field canvassing the state. The commercial clubs in the state have promised to cooperate with the insurance men during that week.

FREEDY TALKED TO WISCONSIN AGENTS

**State Insurance Commissioner
Addressed the Annual Meet-
ing at Milwaukee**

GREENE AGAIN THE HEAD

**Interesting Convention Brought Out
Some Excellent Papers and Reports
From Standing Committees**

OFFICERS ELECTED

President—Walter T. Greene, Milwaukee.
Vice-Presidents—George J. Fries, La Crosse; Miss Lillian Dunnegan, Eau Claire; Oswald Hesterman, Merrill.
Secretary-Treasurer—Joseph G. Grundle, Milwaukee.
Chairman Executive Committee—Alvin W. Fox, Oshkosh.

Milton A. Freedy, insurance commissioner of Wisconsin in his talk at the banquet given by the Wisconsin Association of Insurance Agents at Milwaukee last week, said that under the laws a stock company can be impaired up to 20 percent of its capital before its license can be revoked. Mr. Freedy said that this of course comes too late to apply the measuring stick and get the company rehabilitated in good shape. He said there should be some other reasons given to a commissioner to revoke a license other than this. Companies that are really dangerous to the public, he said, should not be allowed to roam at large although technically they comply with the law.

Mr. Freedy traveled in the field 20 years in Wisconsin, being special agent of the Phoenix of Hartford when he was appointed to the commissionership. He said that he had felt that either an insurance commissioner must know all about insurance or his appointment was purely a political one.

Supervision Is Needed

When he was traveling in the field he said that he did not feel that his company needed any supervision except what he gave it. He finds now that he is in the commissioner's chair that there is need for supervision and regulation. He referred to the farm insur-

PROMINENT FIGURES AT WISCONSIN LOCAL AGENTS' BANQUET



WALTER T. GREENE, Milwaukee
President Wisconsin Association



MILTON A. FREEDY
Wisconsin Commissioner



D. J. O'KEEFFE, Ft. Wayne, Ind.
Representing National Body



D. O. STINE, Reedsburg, Wis.
State Agent St. Paul F. & M.

ance situation especially in the northern part of the state saying that on account of the low rate but few companies would write farm business there. He had found that at least 25 percent of the farm property could not get good insurance. Recently an increase in rates was allowed which he thinks will bring standard companies to the section again. He said that it is highly essential that the farmers be in a position to get insurance in good companies. Aside from the regular farm hazards in the northern part of the state, he said that it has been discovered that some of the farmers were operating stills.

Would Extend State Fund's Power

Mr. Freedy referred to the effort of some members of the legislature to extend the power of the state fund. He said that if one bill had been passed, all farm insurance would have been insured in the state fund. It was defeated by only two votes. Mr. Freedy said that there had been much improvement made in the state fire marshal's department. He said that the annual reports of the state insurance department were being mailed two and one-half months earlier this year than usual.

Double Deck Toastmaster

At the banquet the toastmastership was a double deck affair, as two men presided, one being President Walter T. Greene of the Wisconsin Association of Insurance Agents and the other being President F. J. Lewis of the Milwaukee Board. Both divided the honors. D. J. O'Keefe of Ft. Wayne, Ind., chairman of the surety and casualty committee of the National Association of Insurance Agents was present to represent the National association. Inasmuch as President Greene at the business meeting found that a number of committee chairmen were not present he called on substitutes. Mr. O'Keefe said that he also could be counted as a substitute as the officers and the members of the National executive committee were meeting in Atlanta. The other speaker was

D. O. Stine, Wisconsin state agent of the St. Paul Fire & Marine. Dancing followed the banquet.

Opening of the Convention

Rev. A. H. Lord of St. James Episcopal church gave the invocation at the beginning of the business session and W. B. Calhoun led in the singing. The address of welcome was given by President Lewis of the Milwaukee Board. He is vice-president of the George H. Russell Agency. He said that the Milwaukee Board had been organized for 50 years. Mrs. John West of Oshkosh, one of the leading agents in the state, responded to the address. Joseph G. Grundle, secretary, in his report stated that there were now 284 members. Ray Chartier of Wausau, who has been ill for so long a time was present. He is chairman of the organization committee but had been unable to function on account of disability. Mr. Calhoun reported for the fire prevention committee saying that the public has become much more interested in this work. He feels that there is an opportunity throughout the state to get local chambers of commerce entered into the inter-chamber contest of the National Fire Prevention Council, conducted by the Chamber of Commerce of the United States.

Report of Legislative Committee

The secretary read the report of L. C. Hilgemann of the legislative committee who could not be present. The report states that the big question before the legislature was compulsory automobile insurance. He said that there were eight compulsory bills presented and all were killed. The Milwaukee Board paid the legislative expense incurred by the local agents. He said that there were 112 bills introduced affecting insurance. One bill would have extended the state fund to farm property and another to all public property. He said that the introduction of these state fund measures indicates an unfortunate trend in the public mind.

J. D. Rowland of Racine read the re-

port of the executive committee. The committee stated that some 37 members were dropped for non-payment of dues. The committee feels that the association should arrange for a membership campaign to be conducted by a field man of the National association.

President Greene's Address

In his address as president, Walter T. Greene presented the appeal of association work, pointing to its cumulative advantages to all participating in it. Mr. Greene said that he regretted that he was not talking to the non-members and the phlegmatic agents of the state, for those attending the convention were not the idle workers but rather the active ones. He urged however that each of those present return to his home town intent upon showing the non-member agents in their individual localities the necessity and advantage of joining and helping in association work. Mr. Greene reviewed some of the activities during the past several years, both in the state and in the nation at large, emphasizing the need under present day conditions of some such form of protective agency for the American agency system.

How Agents Can Best Serve

Mr. Greene particularly pointed to some of the ways in which the local agent can be of benefit to the business in general, strengthening his standing in his community and the standing of insurance. He urged all agents not to retire from automobile clubs and similar organizations that might take antagonistic attitudes toward insurance, but rather to increase cooperation with them with the idea of changing their viewpoint by a candid explanation of the situation. He said that agents should keep themselves in the proper light in their communities and local advertising is an invaluable aid in this connection. He also pointed to the effectiveness of association work, citing the advertising campaign which is now being launched by the National association, as an aid to local publicity. He said that the as-

sociation is only a mirror reflecting a composite picture of the membership, working for good or evil only as the individual members lend their efforts for good or evil.

The three set speakers at the convention, W. H. Riker of Chicago, assistant manager of the North America; J. G. Yost, Baltimore, assistant secretary of the Fidelity & Deposit, and F. P. Stanley of New York, vice-president of the Norwich Union Indemnity, were particularly interesting. Each man knew his part well and left a most excellent impression.

All the officers were reelected headed by Walter T. Greene of Milwaukee, who enters his second term as president of the organization. Mr. Greene has been on the job watching the ins and outs carefully.

CONVENTION NOTES

In addition to the speakers there were present as guests, Spencer Welton, president, New York Indemnity; Frank M. Chandler, Chicago, vice-president in charge of the western department of the New York Indemnity; President J. W. Stickney, Indiana Association of Insurance Agents; Walter W. Steiner of Chicago, manager, western surety department Globe Indemnity; R. S. Chaloner of Chicago, manager of the Norwich Union Indemnity and president of the Chicago Insurance Club; George B. Muldaur, Underwriters Laboratories.

The sessions were held in the auditorium on the top floor of the Hotel Astor which afforded a magnificent outlook over Lake Michigan. Prior to the sessions the members took occasion to go out on the roof ambulatory overlooking the lake.

W. B. Calhoun, famous songster who often leads in the singing at the National association conventions, was called to the front at the beginning of each session to start the ball rolling with a song.

The resolutions committee consisted of B. A. Lehnberg of Milwaukee; Alvin G. (CONTINUED ON PAGE 18)

WILLIAM M. BALDWIN
President

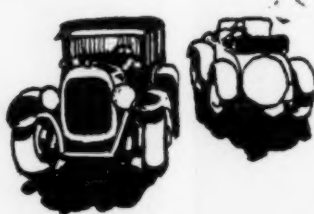
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Secretary

J. D. DeBUCHANAN
Vice President

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Here we find the large department store, the small shop, the butcher, the baker and the candlestick maker prospering side by side.

Not visible, but an ever present factor in the business of "Main Street" is found the sustaining power of Insurance. Here it guarantees a mortgage—there it sustains a credit. Due to its indemnifying force, development and progress on a sound business basis are made possible.

"Main Street" welcomes Insurance, "The Handmaid of Commerce" as a partner in its business.

This is an advertisement by The Home Insurance Company of New York presenting to its agents a suggestion of the place which Fire Insurance takes as a vital factor of the nation's development.

THE HOME INSURANCE COMPANY NEW YORK

Charles L. Tyner, President

Organized 1853

Capital \$18,000,000.00





THE PAST, with all its rich heritage of dramatic history, is after all, the past. The ÆTNA'S century-plus of service to the nation belongs to yesterday. The vital concern of everyone connected with the organization is what *tomorrow* will bring.

YET... the past brings the future one priceless gift: the certainty that the ideals and principles which have brought us thus far will remain steadfast... will carry us forward with the accumulated momentum of more than a century of steady progress.

That is the vital significance of 'More than a Century of Service' and more than twelve thousand ÆTNA agents know and appreciate the true worth in cold dollars and cents of this background of ÆTNA tradition.



Ralph B. Ins
President

ÆTNA INSURANCE
[FIRE]
COMPANY

URGES MORE GENEROUS VIEWPOINT BE ADOPTED

COMMENTS ON MANY CHANGES

D. O. Stine Was Speaker Before Annual Convention of Wisconsin Agents at Milwaukee

MILWAUKEE, Aug. 24.—Speaking before the annual convention of the Wisconsin Association of Insurance Agents here last week, D. O. Stine, state agent for the St. Paul Fire & Marine in Wisconsin, urged all in the business to be more generous in their viewpoint, both as to possible developments and changes in the business and as to opposing the views of those who might not agree with them. His subject was "What of the Night," this being applied to the position in which the field man stands, between the agent and the company and thus enabled to impartially view the problems of both.

Look Askance at Changes

One of the reasons for much of the difficulty now encountered in the business, in Mr. Stine's viewpoint, is that no one likes to be disturbed in the old and established ways of thinking and doing. A new or different method, particularly if it did not originate with the agent or the association, is at once branded as bad and impossible by a large percentage of the people. He cited as an example, the serious objections to the audit bureau heard from so many agents only a few years ago, although today it would be difficult to find one agent willing to abandon the bureau. Mr. Stine said that changes are at least an evidence of vitality and a sign of life, and usually a sign of progress. Thus, everyone should be willing to accept some changes, looking into the future, rather than the present.

Questions Qualification Law

In speaking of agency qualification, however, Mr. Stine suggested that possibly there is more stress laid on some problems than is necessary. He said that he often wondered how an agents' qualification law would work.

He spoke of an agent who is a graduate of an eastern college and could probably pass any educational test that any law would require, yet he has never been able to think insurancewise. The theory and plan, the reasoning and logic of the insurance, contract are wholly foreign to his mental workings and the policy, forms and clauses are in strange language. Now, on the other hand, there are few agents in the business who are unqualified. He pointed out that there are very few local agents in Wisconsin, whose application for membership in the state association would not be welcome, and that means that the companies have appointed very few whom the association believes ought not to have been appointed. He agreed that it is true that the companies sometimes are too eager to make appointments, particularly in the case of a man just starting in the field, who is apt to believe that strength lies in numbers. But these newer men soon learn that there are greater values than numbers and this difficulty really takes care of itself.

Need to Look Ahead

Another of the problems before the business is the matter of bank agencies, and Mr. Stine said that this is indeed a problem of considerable proportion. In villages of 100 to cities of 5,000 agencies in banks are most common. Where that combination ends the agents very frequently become loan agents, operate building and loan associations, float bond issues, do real estate or renting business or otherwise add to their incomes. He said it is most difficult to set a limit on the exercise of another's powers, ability and energy and to fix a "thou shalt not" upon his activities. He concluded with his talk that if those in

ATTENTION TO RESERVES OF INDIANA RECIPROCAL

COMMISSIONER TAKES ACTION

Advocates Tightening of Insurance Laws to Give State Proper Control Over These Organizations

INDIANAPOLIS, Aug. 24.—Commissioner Clarence C. Wysong is devoting considerable attention to the welfare of the several reciprocals which are domiciled in the state. The statutes under which these reciprocals operate do not give the commissioner very much authority beyond that of an advisory nature over them but he is using his influence toward strengthening the financial condition of a number and discouraging reckless underwriting practices. That a number of the reciprocals have been needing official attention is conceded and he has held several conferences with their officials, seeking their cooperation to put their institutions on a sounder basis. With some he has met with a spirit of willingness to cooperate and he reports some improvement in those quarters. He says, however, that his supervisory powers are so limited that he must depend upon the willingness of the officials to effect any reforms.

The law states that a reciprocal shall maintain a reserve amounting to 50 percent of the "net" annual deposits collected from subscribers on policies having one year or less to run and a reserve for unpaid losses and that if there be at any time a deficiency in such deposits or the reserves fall below \$25,000 the commissioner shall notify the officers of the reciprocal of such deficiency which must be made up within 30 days.

Small Reserve Required

For each \$1 of premium collected by a stock company, 50 cents must be put up as reserve. The reserve of the reciprocal is 50 percent of the "net premium." This means after deduction of the fee to the attorney-in-fact and the percentage allowed for handling claims. The reciprocal rate to begin with is less than the stock rate. Where the reciprocal rate then is 60 cents as compared to the \$1 rate of premium of the stock company, the reciprocal is allowed to deduct 30 percent, or 18 cents for the attorney-in-fact, and 12 percent for the handling of claims, or 7.2 cents, a total of 25.2 cents from the 60 cent premium, leaving 34.8 cents "net premium," one half of which is but 17 cents, the amount that satisfies the conditions of the law for premium reserves as compared with the 50 cents put up by the stock company for the same liability.

Mr. Wysong says that, before the reciprocals can be regarded as being established on a sound basis it will be necessary to make some changes in the law under which they operate.

the business kept their eyes on progress and looked into the future, the problems and difficulties could be easily overcome to the mutual advantage of all concerned.

Investigate Boston Rates

BOSTON, Aug. 24.—Mayor M. C. Nichols of Boston has ordered an investigation of the fire rates of the city and has named as chairman of a citizens' committee to make such an investigation Felix Vorenberg, vice-president and treasurer of a leading department store in Boston. Mr. Vorenberg will select his own committee. He is prominent in the retail affairs of the Boston Chamber of Commerce and has appeared frequently before legislative committees, frequently in favor of the admission and licensing of reciprocal organizations in Massachusetts. The mayor will appeal to the state board of appeal on fire rates if the report of the investigating committee warrants such action.



The CALM before the STORM

SERENE summer days hold a warning to the experienced eyes of our agents. Like the captain on his bridge, they are preparing in advance for the havoc that is to swoop out of smiling skies.

When the equinoctal storms come, the winds will inflict terrible damage over all the country—destroy villages, level homes, uproot trees, cause untold loss in many ways. But clients of this company will be ready. Under the guidance of our agents their property will be amply protected by Tornado and Windstorm Insurance.

During the summer calm before the windstorm season, the agents of this company are telling their clients about the coming hazards and selling many windstorm policies. In charting their business to capitalize on the vital need for windstorm protection at this time, they are steering a straight course to bigger profits.

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AND **LONDON**
AND **GLOBE**
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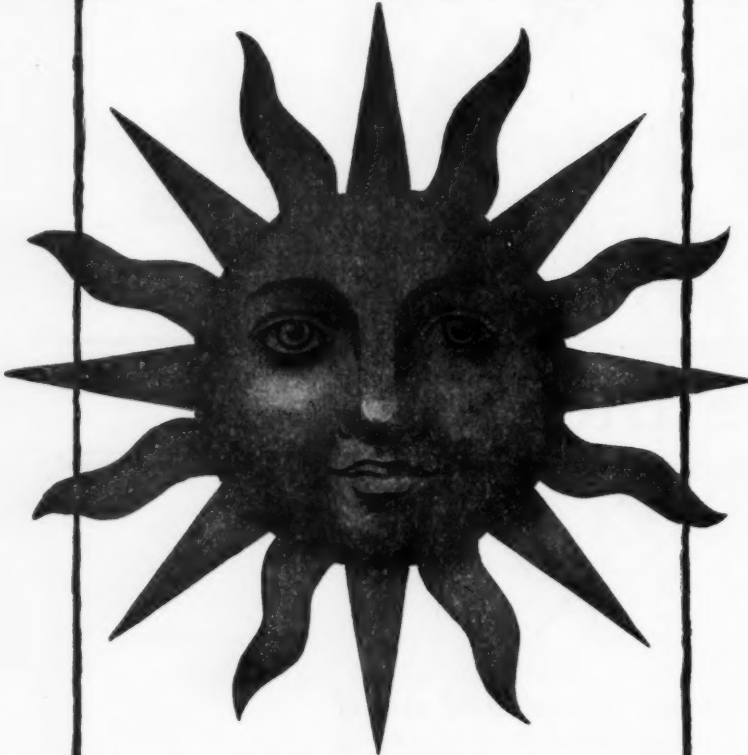
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 And the Shadows will fall behind you*



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**The Oldest Insurance Company
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**FIRE—RIOT AND CIVIL COMMOTION—USE AND OCCUPANCY—
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 —SALESMEN'S FLOATER—WINDSTORM—YACHT AND
 MOTOR BOAT—ALL RISK PERSONAL JEWELRY
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 F. I. P. Callos, President

EXPLOSION AND RIOT COVERAGES IN DEMAND

FIELD IS RAPIDLY EXPANDING

Many Company Officials Believe That
 These Forms Will Continue
 to Be Carried

NEW YORK, Aug. 24.—Leading fire offices here report inquiries from all parts of the country for explosion and riot and civil commotion insurance, their agencies in various sections requesting authority to bind explosion and riot lines on diversified classes of risks. In the local market there is no great activity, brokers asking for quotations on large lines but binding few of them. In cases which have been bound, however, the lines will probably be carried for the term of the policy, with few short rate cancellations. While no one line is particularly large, the total volume of explosion and riot covers written recently is considerable considering the average low rates for this class. Many clients, particularly where trustee and mortgagee interests are involved, have intimated that they may continue this form of protection permanently, renewing the lines when their present policies expire.

Practices Vary

The companies here have varying amounts of explosion and riot business, depending upon their underwriting practices. Some take only lines of a size proportionate to the fire risks they would accept and as a result write less explosion and riot business. Rates are low, so that the expense of handling these lines, except in large blocks, eats up most of the commission, leaving little for the agent or broker.

PROTEST OF BUSINESS

CLEVELAND, Aug. 24.—Business interests in Cleveland have issued a protest through the Chamber of Commerce and the American Plan Association against the order of the Ohio insurance department banning strike and riot insurance. Telegrams were sent to Governor Donahey and the Building Trades Employers Association filed a protest. A number of Cleveland concerns desire to take out riot and civil commotion insurance. The feeling is that Governor Donahey issued this prohibitory order in order to curry favor with labor interests. Insurance companies therefore quit writing riot and civil commotion, confining their policies to straight collision.

President Freiburger of the Building Trades Employers Association declares that a number of companies have refused to write explosion insurance as well as riot and civil commotion on account of the Ohio department order. He said that riot and civil commotion insurance has been written freely in Ohio for 12 years. He asserts that an injustice is done Ohio property owners because they are now compelled to carry this risk themselves at a time when the attitude of radical supporters of Sacco and Vanzetti is causing great concern. He further said that the order was issued because of conditions in the mining districts, but he insists that millions of dollars' worth of property in other industries and businesses should not be prevented from obtaining necessary insurance because of the situation in the mining industry.

Goes With North America

Ralph B. Cooper, for the last 28 years connected with the Denver, Colo., fire department, and more recently, before being retired on pension, as assistant fire chief, is now associated with the local Philadelphia adjusting staff of the North America and its allied companies, as an investigator.

LITTLE TO BE PAID BY LANCASHIRE & GENERAL

ASSETS FOUND NEGLIGIBLE

Policyholders of Defunct London Company Are Not Likely to Receive
 Anything for Premiums

NEW YORK, Aug. 24.—Little or nothing is likely to be recovered by persons in this country who purchased insurance through the Jersey City agency of the Lancashire & General Assurance of London, which is now in receivership. At the first statutory meeting of creditors and shareholders held in London Aug. 9, the senior official receiver read a preliminary report showing that during 1925, returns for which were not filed until April this year, the company received £57,870 in premiums, claims amounted to £51,800, and expenses to £33,975. Accountants estimate that assets total only £12,090, made up largely of amounts due from agents or policyholders as premiums, not all of which can be realized. The only other tangible assets were two motorcycles which brought £150.

The receivers doubt whether assets will be sufficient even to wind up the affairs of the company, for liabilities are estimated at £44,000. Shortly after the winding up order was issued, H. H. Stockford, the managing director, disappeared. He has since been heard from, but most of the stock was in his hands and, as his affairs are in bankruptcy, there is little hope of recovering anything by calling upon him for the unpaid liability on the shares.

BASIS OF SOUND PRACTICE

Talk by D. J. O'Keeffe Before Wisconsin Agents Is Appeal for Association Cooperation

MILWAUKEE, Aug. 24.—Suggestion that the fire companies' selectivity of risks should be made greater at the source, which is the agency organization, was made by D. J. O'Keeffe, prominent local agent at Fort Wayne, Ind., and active in local, state and national association work, speaking before the annual meeting of the Wisconsin Association of Insurance Agents here last week. Mr. O'Keeffe's talk was an appeal for a greater interest in and cooperation with association activities and he pointed particularly to their efforts in connection with the strengthening and improving of the agency ranks. Referring particularly to agency qualification efforts, he said, in part:

"In the enforcement of new collection and underwriting rules, companies are contributing largely to the survival of the fittest among local agents. Recently several fire companies have established credit departments in branch offices, where financial and credit reports on individual assureds are received, considered and filed. There is talk of a clearing house for such information to assist the companies in refusing or cancelling insurance inadvertently accepted or written on moral hazard risks. Why is not the company's selectivity of risks greater at the source? While purging our own ranks of any undesirables, are we not consistent when we submit that such problems could be better solved in their inception by the proper qualification of the broker or agent producing the business? Why not get a credit report on the prospective producer before he or she is licensed and appointed an agent? Why not limit such appointments to those who obviously would not be ready and willing to write almost every risk regardless of the several and mutual interests of the respective parties to the transaction?"



ELECTRICITY—largely responsible for the present era of efficiency and luxury—has given us the radio, X-ray and many other devices unknown to our forefathers.

While increasing infinitely the comforts and well being of millions, this great force has extended also the hazards attendant upon its use.

But *insurance*, another ingenious contrivance of man, provides for security in the full enjoyment of his achievements.

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CHANGES IN THE FIELD

W. B. REARDEN IN NEW POST

Camden Field Man Will Join Netherlands as Executive Special Agent in Western Union Territory

William B. Rearden, who for the last two years has traveled the Illinois and Missouri fields for the Camden and the Minnesota, Wisconsin, Illinois and Missouri fields for that company during the six previous years, has been made executive special agent in the United States' office of the Netherlands, Chicago, for the entire Western Union territory. He does not succeed anyone in the Netherlands' office, as the position he is to fill is an entirely new one.

Mr. Rearden entered the insurance business in the office of the Northern of England in Chicago under C. Nelson Bishop, serving in that office about seven years. For some years he traveled the Iowa, Nebraska and Missouri fields for the Fidelity-Phenix, and for about two years was a local agent at Mason City, Ia.

Through his years of field work Mr. Rearden has become thoroughly acquainted with the problems presented in the territory, and has built a wide acquaintance among local agents, field men and executives. He is a past president of the Illinois Field Club and of the Illinois Fire Prevention Association, and is custodian of the goslings of the Illinois Blue Goose.

W. A. Sturgis and W. E. Wormwood

William A. Sturgis, who has been special agent of the Pennsylvania Fire and the Commonwealth in Maine for several years past, has been made special agent for the North British & Mercantile and

its several companies for metropolitan Boston with headquarters at the Boston office of Kimball & Gilman, managers of the North British & Mercantile and Pennsylvania Fire. The new arrangement will put Mr. Sturgis in charge about Boston and release the field men of the several companies for more intensive work in the New England states, at the same time providing a central service bureau for all. Mr. Sturgis will be succeeded in Maine by William E. Wormwood, formerly with the Fidelity-Phenix at Manchester, N. H.

C. E. Ducharme

C. E. Ducharme, formerly special agent for the State of England, has

been appointed by the Northern of New York as Ohio state agent, to succeed R. W. Detzel, who was recently transferred to San Francisco as Pacific coast manager. Mr. Cochran, formerly with the National Inspection Company of Chicago, has been appointed as special agent to assist Mr. Ducharme, who will make his headquarters in the First National Bank building, Cleveland.

J. J. Cane

J. J. Cane, state agent for the Norwich Union in Minnesota, now has charge of both the South Dakota and Minnesota fields for that company.

F. B. Smith

F. B. Smith of Decatur has joined the Netherlands as Illinois special agent, succeeding C. Walter Davis of Peoria, who has resigned. Mr. Smith has been Illinois state agent of the National Union.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

WILL DEVELOP CENTURY

Following the recent appointment of Walter Stone as assistant United States manager of the Century of Edinburgh, plans are maturing to push the company more aggressively in the general agency field. The Century, of which Henry W. Brown & Co., Philadelphia, is manager on this side the water, has been operating in this country for the past 19 years and has long been established in a number of the important cities. Heretofore it has rather restricted its operations to sprinklered properties. The future program is to seek well selected general business wherever it is to be found, and with that purpose in mind additional territory will be entered. Application for admission to Ohio is now pending and the desired license is expected within a few days, the company having made a

special deposit of \$100,000 in the state. Though a member of the Southwestern Underwriters Association, the Pacific Board and the Rocky Mountain Underwriters Association, the Century is not affiliated with the Eastern Underwriters Association or with either of the two governing organizations of the central west. The company employs no special agents, all local representatives being appointed direct by its management.

Mr. Stone, who knows the field, having traveled it extensively before assuming official position, has already placed the Century in a number of additional agencies. The Century owns a life and a marine company on the other side, and has a controlling interest in the Pacific Coast Fire of Vancouver, which is operating in the Pacific Coast states. In addition to his connection with the Cen-

tury, Mr. Stone is secretary of the Liberty Bell of Philadelphia, of which Henry W. Brown & Co. is general manager. This latter company works in concert with the Century.

* * *

WILL ADDRESS INSURANCE SOCIETY

G. D. Finlayson, superintendent of insurance of Canada, will be the chief speaker at the annual dinner of the Insurance Society of New York, to be held at the Hotel Astor here on the evening of Oct. 24. It is understood a number of other prominent Canadians will attend the function.

* * *

TO INCREASE CAPITAL

The stockholders of the Glens Falls last week voted approval of an increase in the capital stock from \$2,500,000 to \$4,000,000. It was voted to declare a stock dividend of 30 percent to stockholders of record of Aug. 17, and also to sell 75,000 shares of stock, thus restoring to the surplus the amount required to pay the dividend. The surplus will be increased by \$1,500,000.

* * *

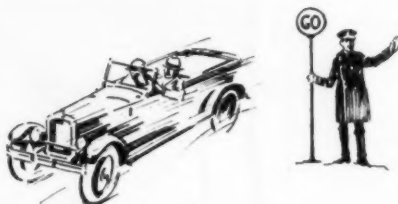
MEETING PLACE UNDECIDED

Whether the next general meeting of the Eastern Underwriters Association be held in New York City or at Manchester, Vt., immediately following the annual gathering of the Union (Western) at the latter resort on Sept. 20 will not be known until R. M. Bissell, president of the former organization, announces the result of the vote upon the subject by the 21 members of the executive committee. Mr. Bissell is now on his vacation and is not due to return to Hartford before the first of next month.

* * *

INVESTORS STILL INTERESTED

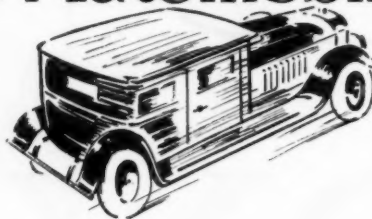
Active interest of the investing public in shares of insurance companies of this and other cities, continues to be a subject of great interest to underwriters here. Many theories are advanced to account for it. One speculation, so far as the demand for stock of the Hartford Fire is concerned, is not alone the ex-



Specialists in Automobile Insurance!

ATLAS Casualty Company is a "specialist in automobile insurance" because it provides complete automobile insurance protection—fire, theft, liability, property damage, collision, tornado; because it writes any or all of these coverages in *one policy*; because it writes automobile insurance *exclusively*, devoting all its time to serving its agents and its policyholders.

ATLAS leaves nothing undone to help its agents sell and retain a large volume of business; it backs this service with



prompt and satisfactory adjustment of claims; it is a strong stock company; it is steadily increasing its reputation as a "specialist in automobile insurance," both with its corps of enthusiastic agents and with its thousands of well pleased policyholders.

And finally it extends to you the firm hand of friendship, offering you a helpful and profitable contract for a sound and complete automobile insurance policy.

Atlas
Casualty Company
EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN ILLINOIS, INDIANA, OHIO, MICHIGAN, MISSOURI AND PENNSYLVANIA



"The thing that started me on Easy Street . . ."

Then Wadsworth reached for his brief case

Most of the passengers on the Berengaria's hurricane deck were dozing comfortably. They had lunched extremely well. The slow swell of the Atlantic was as soothing as a lullaby. The warmth of the afternoon sun was slightly enervating. But nothing could make Wadsworth drowsy. As usual this big mid-Western manufacturer was talking energetically.

"Every time I go to Europe," he declared, "I see more clearly why America is the richest and most prosperous country in the world. We know that the biggest earnings are made through volume. Keep down overhead. Cut out lost motion. Be satisfied with a smaller profit per unit sale—but make a lot of them. That's what has made American millionaires."

Turning to one of his companions, he said, "But I guess that doesn't apply to you insurance men, Simpson."

Simpson: "Hold on there, Wadsworth. It does apply. The reason I've been able to afford a good long vacation in Europe is because I've followed your 'millionaire' method."

Wadsworth: "Impossible. You can't apply production methods to salesmanship."

Simpson: "Well, I did. The thing that started me on Easy Street was reducing my profits on several big fire insurance policies by selling the holders on putting automatic sprinklers in their properties. When the sprinklers were put in, insurance rates went down,—a lot. The owners thought I was a pretty fine fellow. They told their friends about me. And when I suggested they increase their coverage in other lines, or take on new policies, they listened, and usually said 'yes!' That's why I handle twice as much volume as any agent in my territory."

Wadsworth: "Say, you must be a pretty hot salesman if you could persuade some of the concerns I know of to invest capital in non-productive equipment like sprinklers."

Simpson: "That was easy. I put the job in Grinnell Company's hands. They installed the sprinklers and were paid for them in five or six annual payments representing the difference between the premiums on the unprotected property and the lower rates which went into effect when sprinklers were installed. In many cases the insured didn't have to put up a cent of capital."

Then Wadsworth reached for his brief case. "Simpson," he said, "three years ago we bought an old factory at Wayneville. That place is not sprinklered. I'm making a note right now to take up the matter with our Treasurer. For years I've been shouting about keeping down overhead, and here today I've had to learn a new wrinkle in management from a man whose specialty is selling."

* * *

The increase in volume is only one of the benefits which come from selling owners on buying sprinklers out of premiums. By making an account practically competition-proof, this proposition allows an agent more time to work up new business, and protect him against the losses caused by accounts going over to rival agencies.

Send the coupon for the free booklet, "The Local Agent and Automatic Sprinklers," which tells of actual cases. Ask also for Roger W. Babson's letter to Grinnell Company. It contains data very helpful in selling property owners on this sprinkler finance proposition. Address Grinnell Company, Inc., 251 W. Exchange St., Providence, R. I.

GRINNELL
AUTOMATIC SPRINKLER SYSTEM

Please send, free, "The Local Agent and Automatic Sprinklers" and a copy of Roger W. Babson's letter to Grinnell Company.

Name _____

Firm _____

Address _____

Grinnell Co., Inc., 251 W. Exchange St., Providence, R. I.

cellent experience of the company during the first half of this year, but also knowledge of the remarkable record made by its subsidiary, the Hartford Accident & Indemnity, which continues to forge ahead. Of the \$1,000,000 paid-up capital of the latter corporation, all but \$5,000 is owned by the Hartford Fire. The latter company also owns stock of the Aetna Life, Connecticut General Life, Hartford Live Stock, Hartford Steam Boiler, London Mutual, Northwestern Fire & Marine, Travelers, Twin City and the New York Underwriters, all soundly managed institutions.

* * *

WILL SPEAK AT DINNER

George D. Finlayson, Dominion of Canada superintendent of insurance, will be a guest at the annual dinner of the Insurance Society of New York to be held at the Hotel Astor there on the program as one of the speakers.

* * *

ACTIVITY IN EXPLOSION LINE

Demand for explosion and riot and civil commotion covers took a swing upwards in New York City again last week and a number of large lines were written, but calls for the coverage were not as numerous as they were immediately following the subway bombings by persons reported to be sympathizers with Sacco and Vanzetti. The risks seeking coverage were more diversified than were those that figured in the earlier influx. In many cases the brokers placing the business advised the companies that they had been instructed to report that the coverage would be carried for the full term of the policy, and that short rate cancellations would not be asked for at a later date.

* * *

CARIBBEAN CRUISE ARRANGED

Members of the National Association of Insurance Agents planning to attend the annual convention of the organization at New Orleans Oct. 17-20, will have opportunity to make a fine vacation

outing immediately thereafter if so inclined. L. F. Braun, secretary of the New Orleans Insurance Exchange, advises that he has arranged with the United Fruit Company to reserve a number of choice staterooms on the steamship *Parissina*, sailing from the Crescent City Oct. 22 for a 16-day cruise to Havana, the Panama Canal and Hon-

duras, which will be at the disposal of the insurance men. The cost of the trip will be from \$200 to \$225, according to the location of the staterooms. Delegates to the convention seeking to take advantage of this opportunity to see a delightful section of the world under highly favorable conditions should get in touch with Mr. Braun at an early date.

AS SEEN FROM CHICAGO

"SCARE" BUSINESS SCARCE

Illinois, Chicago excepted, produced little "scare" business in the explosion and riot and civil commotion lines, according to field men traveling the state. Although the state has many industrial cities besides Chicago, the latter center produced the bulk of the business placed following demonstrations in Chicago and elsewhere about the country by mobs of Sacco and Vanzetti sympathizers.

Even in Chicago calls for coverage on the lines named above dropped off steadily after the first heavy placements succeeded the mob demonstration two weeks ago. New York enjoyed a renewal of activity on the line late last week and early this week, but business did not again reach the peak attained immediately after the bombings in the subway.

Some heavy lines were placed in Chicago two weeks ago, many of them obtained "over the counter." The coverage was contracted for by a variety of industrial and mercantile establishments. A bank produced the heaviest line recorded.

* * *

KENTUCKY HEARING IN CHICAGO

The hearings in the Kentucky rate case were continued in Chicago this week, Attorney-general Dougherty being present, in addition to company

counsel, to take depositions from the western department accountants in Chicago. R. J. Follon of Chicago led the company counsel in hearing the witnesses called before the committee which met in the Chicago Board rooms.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., Chicago stock brokerage house, has furnished the following insurance stock quotations:

	Bid	Asked
Aetna Casualty & Surety	900	900
Aetna Fire	600	610
Aetna Life	670	685
Agricultural	104	106
Alliance, Pa.	55	57
American Alliance	375	375
American Automobile	50	50
American Equitable	60	60
American Insur. of Newark	26	27
American Salamandra	52	56
American Surety	275	275
Automobile of Hartford	240	255
Bankers & Shippers	340	340
Boston	625	625
Buffalo	325	325
Camden	23	24
Carolina	50	54
City of N. Y.	365	365
Columbian Natl. Life	215	215
Commonwealth	600	600
Connecticut General Life	1675	1675
Continental Assurance	70	70
Continental Casualty	70	70
Continental	188	190
Fidelity & Casualty	203	205
Fidelity & Deposit	232	233
Fidelity-Phoenix	139	141
Fire Association	56	58
Firemen's, N. J.	48	50
Franklin Fire	258	263
Glens Falls	48	50

	Bid	Asked
Globe & Rutgers	1750	1800
Great American	385	385
Hanover Fire	230	232
Harmonia Fire	53	55
Hartford Fire	600	625
Hartford Steam Boiler	680	680
Home, N. Y.	462	462
Homestead	44	46
Importers & Exporters	95	99
Independence	19	21
Insurance Co. of No. Amer.	64	65
Knickerbocker	28	31
Lincoln Fire, N. Y.	72	75
Lloyds Plate Glass	235	235
Maryland Casualty	134	135
Mechanics	60	60
Merchants Fire, Com.	190	190
Merchants Fire, Pfd.	110	110
Metropolitan Casualty	75	78
Milwaukee Mechanics	47 1/2	48 1/2
National Casualty	33	33
National Fire	800	825
National Liberty	850	900
National Surety	246	248
National Union Fire	275	283
New Amsterdam Cas.	73	74
New England Fire	43	45
New Jersey	48	52
New York Casualty	120	125
Niagara Fire	318	325
Northern, N. Y.	340	340
North River Fire	182	188
Pacific Fire, N. Y.	118	125
Phoenix, Conn.	610	610
Preferred Accident	440	440
Providence-Washington	410	410
Reliance Casualty, N. J.	150	160
Rhode Island	275	285
Rossia	106	110
Security of N. H.	111	114
Springfield Fire & Marine	600	600
St. Paul Fire & Marine	160	170
Stuyvesant of N. Y.	190	198
Travelers	1400	1425
U. S. Casualty	325	325
U. S. Fidelity & Guaranty	303	305
U. S. Fire	237	243
U. S. Merchants & Ship	278	285
Vulcan	100	100
Westchester Fire	67	68

* * *

BRUNDRIT'S ANNIVERSARY

James Brundrit, of Chicago, general adjuster in the western department of the Great American, completed 40 years of continuous service with the company this week. Vice-President C. R. Street took occasion to remind Mr. Brundrit of the anniversary in a very happy way. The department heads and other associates of Mr. Brundrit were called into Mr. Street's office for felicitations. Mr. Brundrit's desk was decorated with flow-

All Aboard for a Record Run to Increase Your Income — Sell the Side-Lines Also.

**NORTHERN ASSURANCE COMPANY, LIMITED,
OF LONDON**
UNITED STATES BRANCH

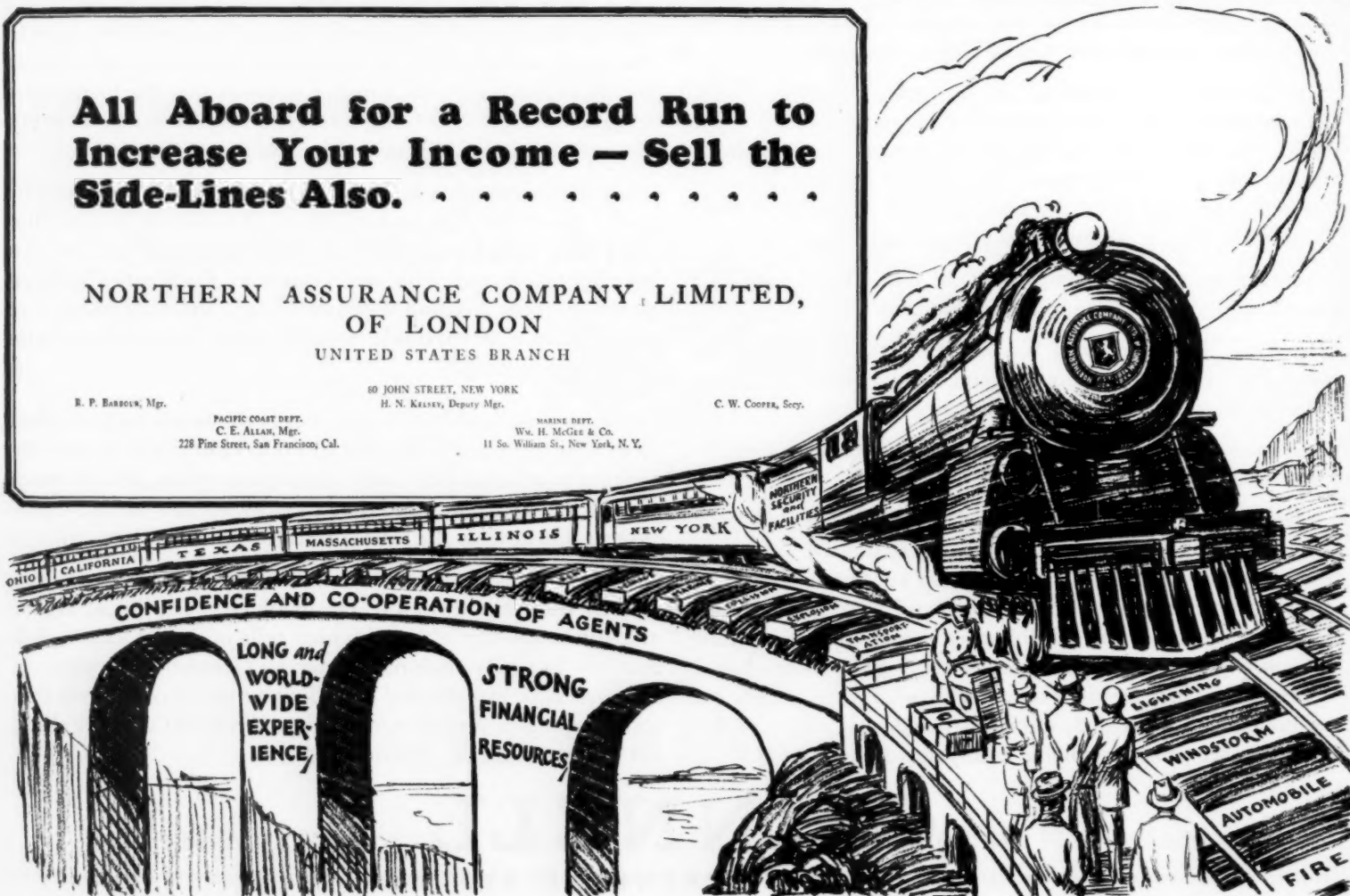
R. P. BARBOL, Mgr.

PACIFIC COAST DEPT.
C. E. ALLAN, Mgr.
228 Pine Street, San Francisco, Cal.

60 JOHN STREET, NEW YORK
H. N. KELLEY, Deputy Mgr.

MARINE DEPT.
Wm. H. McGEE & Co.
11 So. William St., New York, N. Y.

C. W. COOPER, Secy.





AIDING SOLICITATION

THE Insurance Company of North America advertises the strength of its protection and reliable service of its representatives in the magazines of outstanding influence with property owners and business men. In addition, through its advertising department, it offers practical aids to solicitation, suggestions for local advertising, letters, attractive literature for general distribution, display posters and advice on individual solicitation problems.

**Insurance Company of
North America**

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



PROVED

By Its Performance Record!

Think of it—a device that converts dry cleaning establishments from hazardous to ordinary risks.

Schlesco-Shure has proved by its performance record the veracity of this statement.

For in over 58 emergencies this fire extinguishing unit effectively subdued the gasoline fire or explosion in **LESS than 15 SECONDS.**

And while telling your dry cleaner about Schlesco-Shure don't forget to point out that Schlesco-Shure is the only unit of its type to be listed as standard by the Underwriters Laboratories.

Schlesco-Shure
MANUFACTURING COMPANY
DES MOINES IOWA

THE GLOVER SALES CO.
KANSAS CITY, MO.

Exclusive Distributors of Schlesco-Shure Products to Dry Cleaners

SCHLESCO-SHURE MAKES AN UNDESIRABLE LINE DESIRABLE

Schlesco-Shure Mfg. Co.,
Des Moines, Ia.

I am interested in Schlesco-Shure. Send me complete information on how the units work and how dry cleaning establishments may secure them.

Name

Address

City State

Position

SCHLESCO-SHURE UNITS are listed as standard by Underwriters Laboratories.

Approved by N. Y. Industrial Code Commission.

Approved and recommended by prominent insurance and fire officials. Designed to comply with all State and City Fire Regulations.

Schlesco-Shure products are distributed to Dry Cleaners exclusively through the Glover Sales Co. of Kansas City, whose sales and service engineers are at the command of present and prospective Schlesco-Shure users.

ers and in many ways he was reminded of his long and faithful service.

ROYAL LEADS LEAGUE

Last week the North America team in the Insurance Baseball League lost two games and the Royals won one, and as a result the relative standings of the two teams has been altered and the Royals now lead the league. The results of last Saturday's games are the following:

Royal	8	Ins. Co. N. A.	5
Fireman's	15	Springfield	12
Kemper	5	Sun	2
Marsh & McL.	7	Sanborn	6

The standings of all the teams in the league are the following:

	W.	L.	Pct.
Royal	12	1	.923
Ins. Co. of N. A.	11	2	.846
Firemen's of Newark	11	3	.785
Kemper	8	4	.667
Marsh & McLennan	7	5	.583
Hartford	5	6	.454
Sanborn	4	11	.266
Sun	3	11	.215
Springfield	2	11	.154
London & Lancashire	1	10	.090

N. J. Tierney, manager of the inland marine department of Wagner & Glidden, Chicago adjusters, was married on Tuesday of this week to Catherine Mulvaney. Miss Mulvaney was a Wagner & Glidden employee. The newlyweds have left Chicago for a three and a half week honeymoon trip.

COMMITTEES ARE APPOINTED

Rapidly Shaping Up Details of Four-Day Session to Be Held
Sept. 26-29

The general committee at Cincinnati in charge of the entertainment features for the Insurance Commissioners Convention, which meeting will be held there Sept. 26-29, is rapidly formulating its plans. The general committee consists of W. C. Safford, Ohio insurance superintendent, chairman; C. F. Williams, Western & Southern Life; John D. Sage, president, Union Central Life; J. W. Scherr, president, Inter Ocean Casualty; Vice-President B. G. Dawes, Jr., Eureka-Security Fire; R. F. Rust, secretary, Union Central Life; John W. Pattison, vice-president, Union Central Life; John L. Shuff, general agent, Union Central Life; E. J. Wohlgenuth, president, The National Underwriter; S. M. Cross, president, Columbia Life; Frank M. Peters, president, Federal Union Life; Laurence C. Witten, general agent, Massachusetts Mutual Life; T. W. Appleby, president, Ohio National Life; F. O. Valentine, general manager, American Liability; Max Salzer, president, Cincinnati Life Underwriters' Association; W. A. Earls, Cincinnati local agent; Captain J. J. Conway, superintendent, Cincinnati Salvage Corps; Judge William Lueders, director Western & Southern Life; Eugene R. Buss, general agent, Travelers.

The reception committee consists of Mr. Shuff, chairman, Mr. Dawes, Mr. Witten, Mr. Salzer, Mr. Valentine, Mr. Williams, Captain Conway, Mr. Buss and Roger Burlingame. The registration committee consists of Mr. Scherr, chairman and Mr. Wohlgenuth. The sports committee consists of Mr. Sage, chairman, Mr. Cross and Mr. Peters. Monday evening entertainment committee consists of Mr. Safford, chairman, Mr. Williams and Attorney H. L. Conn of Columbus. The automobile and transportation committee consists of Mr. Earls, chairman, Mr. Cross and Mr. Appleby. The dinner dance committee consists of Mr. Shuff, chairman and Mr. Peters. The committee for the entertainment of women, consists of Mrs. Joseph Button, chairman, Mr. and Mrs. John D. Sage and Mr. and Mrs. John L. Shuff. The burgoon and farm outing committee consists of Mr. Williams, chairman; Mr. Safford and Mr. Earls. The boat ride committee is Judge Lueders, chairman; Mr. Safford, Mr. Williams and Mr. Peters. The committee on badges, souvenirs and printing, consists of Mr. Rust, chairman, and Mr. Appleby.

"NOTHING IS WRONG" IS THE OPINION OF RIKER

ANALYZES ILLS OF BUSINESS

Speaker Before Meeting of Wisconsin Association of Insurance Agents
Last Week

MILWAUKEE, WIS., Aug. 24.—"Nothing is wrong with the fire insurance business," was the answer of W. H. Riker, assistant western manager of the North America, to the question "What's wrong?" speaking before the annual convention of the Wisconsin Association of Insurance Agents here last week. Mr. Riker said that there are always some improvements which can be made in all classes and phases of business, but these should be effected by those within the ranks. He said that naturally the advice of the policyholders should be earnestly heard, as they often have constructive suggestions. Insurance is a private business, however, and the details of proper handling belong to those within its ranks and not to outsiders.

Finds Nothing Wrong

Mr. Riker said that for several years past he has heard and read so many papers, articles and addresses on the general subject of "What's wrong with the insurance business?" by company officials, local agents, insurance commissioners and experts in this or that branch of the business, that he finds himself, when fire insurance is mentioned, saying "What's wrong? what's wrong?" He said that also the minor shortcomings have reached the ears of the insuring public and now they are asking this same question or rather making the direct statement, "Something is radically wrong with the fire insurance business."

Mr. Riker said that there is nothing wrong with the fire insurance business. It stands in the front rank as to size. It is far reaching, coming into direct contact more or less with every avenue of human enterprise, every article of household equipment, the food eaten, the clothing worn, the material used in construction of homes and places of business, the means of transportation. It is the heart of the credit system and should its protection be withdrawn, there would be panic and chaos tomorrow. He said that fire insurance has stood the test since the day it was conceived in 1666 and no one can truthfully say that fire insurance is wrong.

Should Right Own Ills

Mr. Riker said that often some grievances can be traced to misunderstandings, and this is true to those within the ranks as well as those without. He cited such cases as agents who ask what is wrong with their company, upon the refusal of a policy, not fully realizing the importance of adequate and stringent underwriting. Mr. Riker also touched on the issue of competition, clarifying the issue in this connection by saying that nothing is wrong with mutual insurance, if the assured believes in the principle of mutual enterprise. If he is a merchant and when he secures mutual coverage, turns his store into a mutual cooperative, that is consistency. If he is not willing to turn his store, or farm or business into a cooperative institution he should be willing to maintain an individual enterprise and support the stock companies.

Dr. Manes in This Country

NEW YORK, Aug. 25.—Dr. Alfred Manes, professor of insurance at the Commercial University of Berlin, is here for a few days on his tour through the United States for the purpose of studying insurance methods and conditions in this country. Dr. Manes was last here 23 years ago, when he attended a meeting of the International Actuarial Congress as a representative of the German government.

BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

CITY

Insurance Company

of Sunbury, Pa.

Incorporated 1870

WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

SOUTHERN FIRE

Insurance Company

of Durham, N. C.

Incorporated 1923

**UNITED STATES
Merchants & Shippers
Insurance Company**

of New York

Incorporated 1866

UNION FIRE

Insurance Company

of Buffalo, N. Y.

Incorporated 1874

UNITED STATES FIRE

Insurance Company

of New York

Incorporated 1824

**CRUM & FORSTER
MANAGERS**

110 William St.

New York City

DEPARTMENT OFFICESWestern Dept.
FREEPORT, ILL.Southern Dept.
ATLANTA, GA.Pacific Dept.
SAN FRANCISCO, CAL.North Carolina Dept.
DURHAM, N. C.**NORTH RIVER**

Insurance Company

of New York

Incorporated 1822

**WESTERN NATIONAL
FIRE**

Insurance Company

of Fargo, N. D.

Incorporated 1919

RICHMOND

Insurance Company

of New York

Incorporated 1907

METROPOLITAN FIRE

Insurance Company

of Chicago, Ill.

Incorporated 1919

ALLEMANNA FIRE

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

BUCKEYE NATIONAL

Insurance Company

of Toledo, Ohio

Incorporated 1912

**NEW YORK STATE
FIRE**

Insurance Company

of Albany, N. Y.

Incorporated 1836



A Car for Every Family?

That slogan of automobile salesmen has long since become obsolete. It's two, three and even four cars to the family in thousands of cases, nowadays! Father has the family sedan and mother her special coupe, while sister and brother sport around in their own little speedsters. Some families almost need fleet insurance!

These conditions contribute largely to the enormous field for Automobile Insurance. Right now the manufacturers are bringing out their new models for the coming season—new possibilities for insurance salesmen. There is no end to this expanding line.

Sell Automobile Insurance *now*—and place the policies with the Harmonia. Your clients will receive the best in service and protection.

Progressive, well qualified agents will do well to consider representation in their agency for the

HARMONIA
Fire Insurance Company
NEW YORK OFFICE
59 MAIDEN LANE

Better Service to your clients when you use The COMBINATION AUTOMOBILE INSURANCE MANUAL



SCOPE OF EDITIONS
Field Edition covers either the Eastern, Southern, Western or Pacific district. Home Office Edition covers the entire country.

SPECIFICATIONS
Page size, 7 1/4" x 4 1/4", loose-leaf, standard binder wing type of green silk cloth. Ring binders of leather or leatherette available if desired.

The only manual that is complete
COMPLETE—Rules, rates and instructions for all coverages applicable to automobiles of all types.
CONVENIENT—All necessary underwriting information in a single volume. Handy for desk or pocket use. Loose-leaf pages easily and quickly changed.
TIMELY—Revised pages showing new data and changes are issued, not periodically, but promptly as announced, thus assuring that information is always up-to-date.
COMPREHENSIVE—All possible requirements immediately and easily available: Rates, List Prices, Current Values, Serial and Engine Numbers, memorandum, application and quotation blanks, etc.
EFFICIENT—Simplified Direct Quotation Tables show at a glance rates for Public Liability, Property Damage, Collision, Fire and Theft for all cars in general use.
ATTRACTIVE—Pleasing and Dignified in appearance. Has the substantial aspect of the bound book and the flexibility of the loose-leaf.
DURABLE—Will not become soiled-looking and "dog-eared." Constructed to withstand unusually hard and constant service.
ECONOMICAL—Worth while savings effected in time and effort and at nominal cost.

Quotations gladly submitted upon request, stating quantity required and district covered.

AUTOMOTIVE SERVICE BUREAU
210 South Hanover Street Baltimore, Maryland

MUCH INTEREST TAKEN IN WESTCHESTER DEAL

(CONTINUED FROM PAGE 3)

in an underwriting way will be felt in the Westchester.

Crum & Forster now have as many companies in their fleet as can really be accommodated in Western Insurance Bureau territory. If therefore they can start a new fleet with the Westchester as the parent company, affiliated with the Western Union it will give them a greater advantage in many ways. The acquisition of the Westchester and Delaware puts Crum & Forster in a front rank position and makes their office a tremendous factor in underwriting circles.

Adds to Investment Fund

From a strictly business viewpoint it would seem that Crum & Forster will not jeopardize the status of the Westchester so far as the Western Union is concerned so long as there are two organizations in central western territory. It has been known for some time that Crum & Forster were advocates of a single organization in the central west claiming that two associations were needless and wasteful. The acquisition of the Westchester and Delaware from a financial standpoint means the addition of a considerable sum to the Crum & Forster investment fund and therefore accentuates their financial power.

May Enter Union of Canton Agencies

It may be possible now that Crum & Forster have gotten the Westchester and Delaware that these two companies may enter some of the old Union of Canton agencies in the central west, the business of that company having been taken over by Crum & Forster. At that time Crum & Forster desired to enter into negotiations with the Western Union allowing one of their companies to go into clear Union agencies for a stipulated period where the Union of Canton was represented. This request however was turned down. Nothing however can now prohibit the Westchester or Delaware from entering such agencies.

President Schaefer's Letter

President O. E. Schaefer of the Westchester in addressing stockholders on the recent deal says:

Accompanying quarterly dividend checks of Aug. 1, we sent to our stockholders a brief statement showing increases in the company's assets, unearned premium reserve and net surplus as a result of our operations during the first six months of this year. These gains were highly satisfactory in themselves, but your officers and directors have been devoting a great deal of time and study to many features of our organization as compared to others in the business.

The factor of expense ratio received particular attention and it became increasingly apparent that companies affiliated in groups or "fleets" had succeeded in effecting large economies not possible for companies operating independently; the larger volume of business produced through several channels can be handled without a corresponding increase in overhead expenses.

Trend Toward Group Organization

This principle is back of the decided trend toward group organizations in the fire insurance business and the objective which your officers and directors have had in mind has been to develop, if possible, an affiliation or alliance with other companies of high rank which would bring benefits to the stockholders by thus increasing the potential value of their investments in the Westchester and at the same time preserve the prestige which our company, with an honorable record extending over a period of ninety years, has always enjoyed.

We are happy to be able to inform you that arrangements have been consummated which we confidently believe will accomplish the objective sought. Your board of directors, at a special meeting held Aug. 16, approved a long term contract with Crum & Forster of New York, who have become interested as stockholders in the Westchester and also our subsidiary company, the Delaware. Crum & Forster operate one of the

most powerful groups of fire insurance companies in the United States and the results which they have produced for those companies have been distinctly favorable. The volume of business transacted by them is large and very rapidly increasing, so that we are warranted in anticipating that the Westchester's premium income will be materially increased through this alliance which has been established and the expense ratio thereby reduced.

The Westchester and the Delaware will continue to be operated jointly under the same officers and management as heretofore, but the influence of our companies will be greatly extended by reason of the additional facilities gained and the possibilities for future development of all companies in the alliance can hardly be overestimated.

FREEDY TALKED TO WISCONSIN AGENTS

(CONTINUED FROM PAGE 6)

Fox, Oshkosh, and Ray Chartier of Wausau. The nominating committee consisted of W. B. Calhoun, Milwaukee; Mrs. John West of Oshkosh; J. D. Carpenter, Racine; Hal Dana of Fond du Lac; George Fries, La Crosse.

* * *

W. H. Riker, assistant manager of the North America, in his address, said that when he first started as a local agent in Kentucky, his first company was a Milwaukee company, he taking the Milwaukee Mechanics. His first policy was written in the Milwaukee Mechanics and his first loss was with that company. Its field man was B. A. Satrang, a Milwaukee man. Mr. Riker said, therefore, that his first associations were with Milwaukee.

* * *

Mrs. D. J. O'Keefe of Ft. Wayne, Ind., accompanied her husband to Milwaukee and was one of the most popular ladies at the convention.

* * *

J. G. Grundle, secretary of the organization, was in charge at the registration desk. Mr. Grundle is secretary of the Milwaukee Board and attends to all the details of the Wisconsin Association.

PRINCIPLES OF LETTER WRITING ARE GIVEN

(CONTINUED FROM PAGE 4)

trust we may continue to merit Your confidence. Assuring You of our prompt attention to any requests you may care to make, and trusting that our above-mentioned amicable relations may continue, we beg to advise that we thank You in advance for Your anticipated favors. Amen.

If you agree, as has been said by those outside the insurance business, that local agents can improve their effectiveness in direct ratio to the thought and study given to the letters of the business, it might be excellent practice to write a little letter to the publishers of this new book asking them to let you take it in your own two hands so that you can then and there see for yourself whether or not you want to keep it. The book costs \$3. And when you write, make your letter complete. Mention THE NATIONAL UNDERWRITER.

Organize Fire Preventionists

NASHVILLE, TENN., Aug. 24.—A call has been issued by State Fire Marshal Ed M. Gillenwaters, for all inspectors and investigators of the department to meet in this city Aug. 30, with officials of the Tennessee Inspection Bureau and Insurance representatives of the state to plan a state wide fire prevention organization. A committee of prominent citizens is to be formed in every city and incorporated town in the state, and these will work under the supervision of the state fire marshal and the state department of labor. A special organizer is to be appointed within the new few days to travel over the state and organize these committees, it was said.

George S. Barger of Kingsport, L. D. Maiden of Dresden, and P. L. Mitchell of Cookeville, all inspectors in the fire prevention department, have been chosen by a local committee in the department of labor for appointment as special investigators of suspicious fires, subject to the approval of Fire Marshal Gillenwaters and Governor Peay.

W. J. Beggs, vice-president of the Western Fire of Fort Scott, Kansas, has been on a trip through Ohio.



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THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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Purpose of Special Committee

THERE seems to be a number of agents who do not understand the scope and purpose of the better business methods committee of the NATIONAL ASSOCIATION OF INSURANCE AGENTS. This committee was created solely for the purpose of investigating the various insurance forms and office systems marketed by the insurance supply houses, with the idea in mind that some practical improvements might be suggested. The committee has been gathering data from local agents all over the country, and it is believed that as a result of its findings it may be able to suggest some improvements in supplies and forms to the concerns that are at present engaged in the business of manufacturing them. This committee, when its work is completed, will submit its recommendations and

suggestions to the existing insurance supply houses, and there is no doubt but that the manufacturers will be benefited by what the committee is able to suggest.

It is not the intention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS to go into the insurance supply business. The National Association, after its better business methods committee has concluded its work, will give its official approval to certain forms and systems which it believes to be the best, but these will continue to be manufactured and sold only through the present insurance supply houses, and the association will not in any way enter the field as a competitor of the insurance publishing houses that have served the business for so many years.

Want Julian Reappointed

THE report has been circulated that the governor of Alabama intends to replace Insurance Commissioner **FRANK N. JULIAN** when his present term expires in September. Insurance men all over the country know **FRANK JULIAN** and recognize his great worth to his state and to the country at large. He is chairman of the executive committee of the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS. He is one of the men

who have been commissioner for some time and hence knows the ropes. He is eminently fair with his public, realizes the insurance problems and owing to his fine understanding is able to give Alabama a high grade insurance administration. He is most valuable to his insuring public. He is popular everywhere. In the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS he wields much influence.

Plan for Rural Fire Protection

THE recent act of the Illinois legislature permitting any rural community in the state regardless of size to take a referendum vote on the question of organizing a fire protection district furnishing fire fighting equipment and providing for its maintenance should do much to conserve farm property. All farmers object to increased taxes and often protest any increase in overhead expense. Yet this plan does provide a most excellent means for agricultural districts to furnish fire protection.

In some cases farmers in localities

have voluntarily contributed to fire fighting equipment, kept at some central point. Under the Illinois law the fire protection district affairs are to be conducted by three trustees appointed by the county in which the greater proportion of the district lies. In some sections of Illinois, especially in the southern part of the state, it is almost impossible to get fire insurance on farm property because of the disastrous record. Therefore, the farmers should be interested in any means to improve their situation. Farm fire protection is receiving much more attention than it ever has.

Man Should Never Be Ripe

WHENEVER a man becomes ripe, he starts to rot. He has gotten to the point where he can grow no more. One,

therefore, needs to keep in the growing stage. A man should ever see the opportunity that is beyond.

PERSONAL SIDE OF THE BUSINESS

Announcement has just been made in Mason City, Ia., of the approaching marriage of **Gilbert Stiles Avery, Jr.**, to Susan White, to take place at the home of Miss White in Estherville, Ia., next January. Mr. Avery is affiliated with his father in an insurance agency in Mason City. He is special agent for the New Hampshire Fire.

Granville M. Cochran, 34 years old, senior member of the insurance firm of Cochran & Houseman, general agents at Dallas, died in New Orleans last week following an operation for appendicitis. Mr. Cochran with his wife and son were enroute from New York to New Orleans on a boat when he was stricken. The body was brought to Dallas for burial. Mr. Cochran was a nephew of Sam P. Cochran of the firm of Trezevant & Cochran. He had been in the insurance business for a number of years.

Charles V. Wilson of Fargo, N. D., state agent of the Great American who became general agent of the National Life of Vermont for the entire state of North Dakota, will soon take his new position. The National Life has not had a representative in North Dakota for a number of years. Mr. Wilson was formerly in the Chicago office of the Fire Association going to the Illinois field as special agent in 1909. Fred H. Burke, now assistant manager, was then state agent. He went to the two Dakotas in 1911 as state agent for the Fire Association. In July, 1919, he became North Dakota state agent for the Great American. He has been in North Dakota for 16 years and has a very large acquaintance throughout the state.

A. T. Bailey, Pacific Coast manager for the North British & Mercantile, was injured last Thursday in an automobile accident in Seattle, Wash., when riding with **Evart Lamping**, general agent there for the Vulcan Underwriters and other companies of the North British fleet. The report said that Mr. Bailey suffered a broken arm. He was in Seattle as a member of the special committee of the Pacific Board sent there to clarify the commission and agency situation.

Joseph Koffend of Appleton, Wis., head of the agency of Joseph Koffend & Son is the veteran member of the Wisconsin Association of Insurance Agents. He is 81 years of age, attends the state meetings, sits in the front row, is always on time and is an interested listener. He was city treasurer when he started his agency 47 years ago. It is interesting to know that the first dwelling that he wrote is still on his books. Mr. Koffend has never sent out a monthly report to his companies without transmitting at the same time a check or draft for the balance. Therefore field men do not have to visit Mr. Koffend to collect balances.

J. P. Hutchison, formerly Cook county manager in Chicago for the Queen, is the author of an article on "Comparative Golf" in the *Golfer's Magazine*. Mr. Hutchison in his article points out the wide variance in instruction suggestions as made by various club professionals, indicating that there is no "best" method. Notable contradictions are evident by some of the noted golfers and each apparently has his own method which is perfection to himself.

Carl E. Hilbert, president of the Hilbert & Baerwald agency at Milwaukee, who has been chosen general chairman for Wisconsin Insurance Day sponsored by the Wisconsin Insurance Federation to be held in Milwaukee, Oct. 26, is not only well known in the local agency ranks, but in the Wisconsin field as well, as he is state agent of the London & Lancashire. Mr. Hilbert studied law and was admitted to the bar in Wisconsin to



CARL E. HILBERT, Milwaukee,
General Chairman Wisconsin Insurance Day

practice in 1895. A year later he formed the Hilbert & Baerwald agency and now it is one of the strongest in the state. He was one of the founders of the Blue Goose and has been most loyal gander of the Wisconsin home nest. Mr. Hilbert is well known throughout the state.

James W. Ray, special agent in the office of his father, W. P. Ray, general agent at Indianapolis for several fire companies, was married last week to Miss Emma Elliott Deal of Indianapolis. Quite a number of the insurance fraternity were present. The young couple have gone to northern Minnesota for their honeymoon, and were joined there by W. P. Ray, his wife and daughter, both parties having motored up.

Robert P. Hare, Jr., assistant manager of the southern department of the North America at Atlanta, Georgia, is spending part of his vacation in Chicago. Mr. Hare was formerly assistant manager of the North America in Chicago.

H. M. Zimmer, Illinois state agent of the Home fleet, is in the east on a combined business and pleasure trip, during which he will visit New York, Philadelphia and other major cities.

Clarence A. Ludlum, vice-president of the Home Fire, returned last week from a vacation of several weeks spent in Europe.

A. D. Yeaton, western general agent of the New Hampshire, the County of Philadelphia and the Granite State, has just returned from a visit of several weeks at the home office of the New Hampshire.

Ernest Elmo Calkins of the advertising firm of Calkins & Holden and well known among insurance men for his many articles and speeches on insurance advertising, has carried his message of insurance advertising to "Quality Street" of literary circles, having one of the lead articles in the current issue of the "Atlantic Monthly" which was circulated this week. Mr. Calkins discusses the subject "Insuring Insurance" and voices his surprise that insurance has proven a backward child as far as advertising is concerned, having relegated itself to a minor position as compared with the other great business institutions in this country. He particularly compared it to the automobile business and its huge outlay of advertising funds. Mr. Calkins has been a frequent contributor to the "Atlantic Monthly" and other magazines, but this is the first time he has carried the business appeal of insurance within the literary limelights.

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

PLAN COLUMBUS INSPECTION

Ohio Fire Prevention Association Schedules Two-day Campaign for Oct. 5-6 in Big Ohio City

CINCINNATI, O., Aug. 24.—The Ohio Fire Prevention Association has set Oct. 5-6, as the tentative date for an inspection of Columbus. This will be the first large city of Ohio to be inspected for many years. Cincinnati was inspected several years ago and no one of the very large cities of the state has been inspected since. The definite date for the Columbus inspection will be set at the September meeting in Cincinnati but it is believed that the tentative dates will not be altered. The Chamber of Commerce at Columbus is taking an active interest in making preparations for the inspection and will also give what assistance it can at the time of the inspection itself. All members of the Ohio Fire Prevention Association will be needed for the Columbus inspection and as the dates have been set to coincide with the time when they will be in Columbus for the monthly field meeting, it is expected that nearly all will be present. Richard E. Vernor and Harry K. Rogers will be in Columbus to address meetings of luncheon clubs and meetings at the school buildings.

The executive committee of the association will consider a number of requests for inspections at its September meeting. These requests have come in voluntarily from several cities in the state.

Organizes Adjustment Company

Harry L. Federman, who has been county recorder of Hamilton County for the past six years, leaves that office Sept. 5, and will open an independent adjuster's office at 510 Eagle Savings building in Cincinnati at that time. Mr. Federman has organized the Automobile Adjustment Company and will conduct his adjustment business under this name. For the past 10 years he has been an independent adjuster specializing in automobile claims. He formerly made his headquarters with the E. A. Winter agency. While in the recorder's office, Mr. Federman continued some adjusting service but because of the duties of his county position was able to devote only a small part of each day to that work.

Will Meet in Cincinnati

The Ohio Blue Goose will hold a business meeting and election of officers at the Hotel Gibson in Cincinnati, Sept. 6, at 8 p. m. The next day both the Union and Bureau field meetings will be held. Following the field meetings the insurance men will go to Col. Tom Cody's farm in Kentucky where a big dinner will be served. Various games will be played and a number of candidates will be initiated.

Record of Ohio Cities

Toledo spends more money per capita than any other city in the state for fire protection, according to the figures which have been announced by the statistician and the Ohio state auditor. Toledo's per capita expense in 1925 for fire protection was \$3.77. In the cost of operation is included all maintenance expenses as well as the salaries of firemen. Cleveland was second highest in its per capita cost with \$3.08 a head. Cincinnati spent \$1,091,433 in 1925 or a little less than \$2.50 per capita.

EXPLOSION BUSINESS LARGE

Many Risks in Ohio Protect Themselves Against Possible Damage Owing to Radical Sympathizers

In spite of the fact that the Ohio insurance department issued an order prohibiting the writing of strike insurance in the state, inasmuch as it is not specifically provided in the laws, there has been an abundance of explosion insurance written. This is authorized by the Ohio law. In fact, since the Sacco-Vanzetti sympathizers put themselves to the front the damage done has been through explosion. Radicals that are given to destructive tendencies employ largely the use of bombs. This was done in the subway explosions in New York City. While it was thought that a general strike might be called in some quarters in protest to the action in the Sacco-Vanzetti case, property owners have felt that bombs were the most likely means used for destruction. A number of large concerns in Ohio have taken out explosion insurance.

Salvage Corps Men Hurt

Five men of the Cincinnati Salvage

Corps were hurt Monday, when one of the salvage corps wagons collided with the life saving squad truck of the Cincinnati fire department. Two of the men, John Snyder and Russell Stites, were severely hurt and may be in the hospital for some time. Ed Stites, driver, Joe O'Dowd and Fred Fennekol were painfully injured, but were able to remain on duty. The Salvage Corps machine was upset and almost completely wrecked.

Big Loss at Pomeroy

The worst fire in the history of the city occurred a few days ago at Pomeroy, O., the loss to buildings being \$200,000. Thirteen business houses, two residences and the office of the county prosecutor were burned. Low water pressure was responsible in part for the spread of the flames.

Ohio Notes

Maurice Goldberg, for 35 years a solicitor for the Gansel Agency in Cincinnati, died last week.

W. H. Tomlinson, general counsel of the Ohio Association of Insurance Agents, has been visiting agents in a number of cities over the state last week in the interest of the state organization.

F. G. Beyerman has purchased the Wood County Insurance Agency at Bowling Green from J. L. Crane. Mr. Beyerman will continue operating the agency under the name which it now bears.

Thomas Wood, representative of the Ohio Farmers in Hamilton County and Cincinnati, left for Europe last week. Mr. Wood will attend the American Legion convention while in France and expects to be gone about two months.

CENTRAL WESTERN STATES

FOREST FIRES IN MICHIGAN

Dry Spell of Several Weeks' Duration Results in Uncontrollable Blazes Threatening Small Towns

LANSING, MICH., Aug. 24.—Justifying fears of state conservation department officials that a three-weeks' drought which has gripped most of Michigan would bring some serious forest fires, Dollarville, a small town in the Upper Peninsula near Newberry, was believed to be doomed early this week as a blaze which broke out in a swamp near the village after having been seemingly extinguished, bore down on the town. Practically all of the 500 residents had moved their effects from the village and were helping in the fight to veer the fire from its path. Unless winds changed or rains came, however, it was predicted that Dollarville would be wiped out as it was only five years ago. Newberry was even considered to be somewhat menaced by the advancing fires in the region and some of the inhabitants of that city were preparing to flee at a minute's notice.

The dry condition prevailing throughout the state has not only added to peril from forest fires throughout the wooded areas but has added to hazards inside corporate areas and in long-settled rural sections. Grass is tinder dry in nearly every part of the state, shingle roofs are in a dangerous condition, and some towns' and cities' water supplies are impaired by the lack of rainfall. Local authorities are urging the greatest care upon all inhabitants and tourists to prevent grass fires or other blazes which might cause serious property loss. The conservation department has its forces organized throughout the entire northern part of the state where several forest fires have started.

A new corporation organized to operate an agency selling all types of insurance, the Bankers' Thrift Association of Detroit, filed its articles with the secretary of state's office last week. The company is capitalized at \$25,000 and 250 non-par shares. Incorporators are Michael E. O'Brien, Frank Bigler and Charles W. Burtch, all of Detroit.

BUSINESS SLUMP CONTINUES

Only Maturing of Corn Crops and Opening of Mines Will Remove Depression in Illinois

Illinois field men report continuance of the depression that settled on many parts of the state with the floods earlier in the year. The agricultural outlook is fair, and may improve somewhat if the state from this time until fall has enough rain to make a corn crop. The small grain crop is reported good, but the state's dependence always has been on corn. In some sections the flood waters prevented corn seeding, and in others delayed it so long that the crop likely will be poor.

Good stands of corn are reported from the region between Quincy and Jacksonville. The crop also looks well in some other small sections. Rain is badly needed in many of the counties that have high corn yields in good years. Unless the crops in these counties have water soon the corn will be useless excepting as silage.

Banks Make Situation Worse

Actual mental depression obtains among the rural population in much of the area affected by the flood, and to add to this many banks have refused further advances to their farmer clients unless the borrowers submit to having definite encumbrances placed on their holdings. The urban communities supported by the agricultural population have been affected by this depression in the form of a general decline of business.

If, however, the corn crop in the areas planted develops well the business revival will be general and sharp, it is said by those who travel the state.

Business Dead in Coal Area

Farther south, in the coal mining territory, business has been at a standstill since the disagreement over wages closed the mines last spring. Losses have been lighter than they were expected to be, and no rioting has been

reported. Many of the miners left the fields, others have gone into other lines of work, and still others have been loafing, waiting for the mines to open.

Business is reported better by some field men who travel the field in which the Birger gang operated before Birger fell before the law. This man is reported to have had so many people in his grasp that he actually had strangling effect on business generally.

The mines are expected by some to open between the middle of September and the first of October. Others are of the opinion that they may not open until next spring, and maybe not until later than that. In a few of the mining towns small banks have failed, and the workers who lost their funds in the failures have been forced to seek employment other than mining, many of them regretfully. Regardless of how long the mines remain closed, business in the coal fields will be poor until they open.

HAIL DAMAGE GIVES LOCAL AGENTS IDEAS

Illinois field men report that one result of a heavy hail storm recently suffered by East St. Louis, Ill., is that local agents in that city are doing good business issuing hail coverage to owners of city property. The hail riddled roofs, knocked off siding from residences and did other damage not covered in the windstorm policies that most of the owners carry. Most of the blame for lack of coverage against hail damage is placed on the local agents, who have failed to educate the owners of city property to the dangers of a heavy hail storm.

As crop conditions in southern Illinois centers improve, hail writings on growing crops are increasing. The increases in some sections are greater than were expected when the recent floods were at their height. In some other sections, however, not as much hail coverage will be written this year as last, because the flood waters have ruined whatever seed was planted and have prevented the planting of more.

Plan Big Lansing Banquet

Plans for a big general insurance picnic such as has been a most successful event of the past two summers have been abandoned this year by Lansing, Mich., insurance men in favor of a scheme for a banquet of all local insurance forces to be held sometime in October. Both the Lansing Association of Fire & Casualty Underwriters and the Lansing Association of Life Underwriters had been considering the picnic plan but committees found considerable sentiment against the proposal because of the fact that a number of the large insurance organizations here hold separate outings of their own and so would not feel like supporting a general picnic in addition.

Walton Indiana Department Actuary

Harold G. Walton, an assistant actuary of the American Central Life of Indianapolis, has been appointed actuary of the Indiana insurance department by Commissioner Clarence C. Wysong. Mr. Walton has been with the American Central for seven years, and is an associate member of the American Institute of Actuaries. Mr. Walton will begin his duties with the Indiana department Sept. 1 when Mr. Huel, who resigns the position, will go with the Indianapolis Life succeeding Mr. Porter, for a number of years actuary of that company.

Reduce Pyroxylin Lacquer Hazard

LANSING, MICH., Aug. 24.—The campaign of the department of labor and industry to minimize the perils incident to the use of pyroxylin lacquers in Mich-

igan factories is to be carried out partly through cooperation of local inspecting officers. It was indicated here this week, when it was disclosed that fire department chiefs or department inspectors throughout the state are being asked to accept commissions as deputy inspectors for the state department. With experienced fire hazard inspectors on the job throughout all of the state's industrial centers, it is believed that the code of regulations for handling of pyroxylin enamels will be enforced to the letter and that there will be no repetition in this state of the Briggs plant disaster in which a score of lives were lost and property damage ran into the millions. Any plant conforming completely to the departmental code stands in but little danger of a pyroxylin explosion, it is declared.

NORTHWESTERN STATES

RESOLUTIONS WERE ADOPTED

Wisconsin Agents in Annual Session at Milwaukee Urge Continued Association Efforts

MILWAUKEE, Aug. 24.—The resolutions adopted by the Wisconsin Association of Insurance Agents at its annual convention here last week were as follows:

Whereas, the Wisconsin Association of Insurance Agents, in its endeavors to further the good practices sponsored by the National Association of Insurance Agents, and having accomplished the desired public interest in matters of state and community affairs, instanced by the defeat of ill-advised compulsory automobile insurance legislation; the evidence of a general spirit of helpful cooperation between agents with a minimum of complaints of bad practices; the growing acceptance of the principle of vested rights of the local agent as expressed by "The Integration of the American Agency System":

"Resolved: That we again commend the efficiency of the National Association and afford the hearty support of the Wisconsin Association for the furtherance of those principles and objects that have proven of so much value to the individual members and insurance agents at large.

Resolved: That the succeeding administration use every effort, also securing the help of the National Association field workers in the sponsoring of local boards throughout the state and in securing the increase of individual membership in this association to which end every member is urged to contribute his personal time and energy.

Resolved: That the success attained in conservation of life and property by fire prevention activities be diligently followed up by each member interesting himself in such work in his community, coupled with which may be the furtherance of cooperation with chambers of commerce.

Resolved: That thanks and appreciation be extended to Milton A. Freedy, insurance commissioner, for the evidence of earnest application of impartial justice in the administration of his important office.

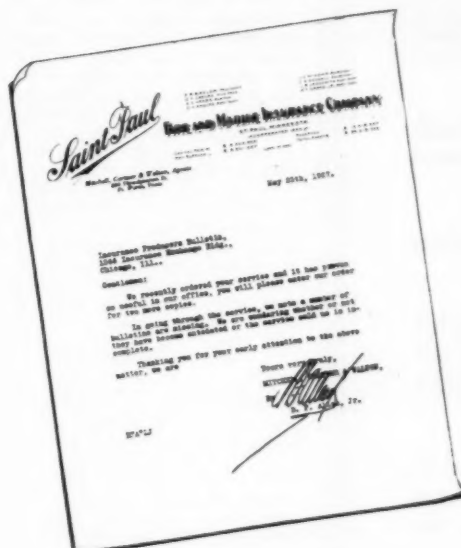
MINNESOTA LOSS RATIO LOW

Cut to One-Half of What It Was Last Year—Most Serious Losses Have Been on Sprinklered Risks

MINNEAPOLIS, Aug. 24.—Thorough inspection work by the state fire marshal's office, tightening up of the criminal laws dealing with arson, and the exercise of closer attention to the underwriting of risks by the individual companies are factors having a salutary effect upon the fire insurance experience in Minnesota this year.

C. W. Seanor, manager of the Underwriters Adjusting, and C. E. Nugent, assistant manager of the Western Adjustment, both agreed that the effective

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FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

inspection policy inaugurated by George W. Wells, state fire marshal, was reducing fire losses throughout the state. This, coupled with a noticeable improvement of the moral hazard factor, has served to reduce the loss ratio to one-half of last year.

Losses on Sprinklered Risks

Aside from a few serious fires in the Twin Cities, the losses in the smaller cities and towns in the state have been negligible. The largest losses, in fact, according to statistics in the offices of the adjusting companies, were sustained by sprinklered risks. On the first day of the new year the Consumers Wholesale Supply Co. was burned with a loss of over \$250,000. The fire inspector found the sprinkler system turned off. The loss was finally adjusted at \$190,000.

The Minneapolis Bedding Co. suffered a loss of \$96,400 recently, when its warehouse and storage property burned. The sprinklers were inoperative. In St. Paul the U. S. Bedding Co. was swept by a fire, with more than \$500,000 property loss. The sprinklers were found to be idle.

Heavy Loss in Twin Cities

In June four fires broke out simultaneously in the Transfer district of St. Paul, within a radius of two blocks, causing an aggregate loss of \$150,000. The fires are said to have been started by a pyromaniac and the case in under investigation by the state fire marshal. The firms sustaining losses were the Midwest Chemical Co., Phoenix Chair Co., George D. Taylor & Sons cooperage plant and Frank Miller & Sons sawdust and shavings plant.

In South St. Paul the old South St. Paul postoffice building, owned by the Livestock Exchange, burned to the ground in January, causing an estimated loss of \$80,000. Other large losses in the two cities were the Great Western Stove & Repair Co., Minneapolis, \$90,000; Crown Elevator Co., Minneapolis, \$55,000; Twin City Pipe Covering Co., St. Paul, \$100,000, and the Ramsey county children's preventorium, St. Paul, \$20,000.

Outlook for Future Bright

In spite of these comparatively large losses in the Twin Cities, the companies are enjoying a prosperous year. Mr. Nugent, who recently returned from a western trip, said that everywhere he found merchants optimistic over general business conditions and the assured bountiful crop is gingering up the economic outlook. The loss on mercantile risks and buildings has been much lower this year than last, he said, and the coming of better times is not apt to upset the ratio in the final months of the year.

State Fund Surplus Grows

BISMARCK, N. D., Aug. 24.—A surplus of \$1,138,963 in the state fire and tornado insurance department is reported by S. A. Olsness, state insurance commissioner. Since the fund was started in 1919, the department has handled \$2,026,330 in premiums. When the fund reaches \$2,000,000, Mr. Olsness

plans to recommend the underwriting of all public buildings without premium charge, believing that interest on the fund will take care of all losses.

Mr. Olsness' report shows that the department has received \$1,645,843 in fire insurance premiums and has paid out \$436,931 in losses. In addition it has paid out \$293,896 for reinsurance with old line companies. Tornado premiums have yielded a revenue of \$234,226. Of this amount \$35,887 has been paid out for losses and \$39,981 for reinsurance. Interest on the balance in the Bank of North Dakota has netted the department \$87,032.

Appoints Program Committee

Carl E. Hilbert, general chairman for Wisconsin insurance day, which will be held in Milwaukee Oct. 26, has announced the appointment of the program committee. Henry Tyrrell, legislative counsel for the Northwestern Mutual Life, heads the committee again this year. He will have as assistants, H. J. Hagg of the Employers Mutual, Wausau, and Monroe Porth of Ed Porth & Sons, Milwaukee.

Believes Decision Important

MILWAUKEE, WIS., Aug. 24.—Insurance men who are members of various insurance associations in the city and state are considerably interested in the recent decision of the United States Board of Tax Appeals which holds that dues and contributions made to the American Protective Tariff League and to the League for Industrial Rights are deductible as an expense in arriving at taxable incomes. George Kull, secretary of the Wisconsin Manufacturers Association, in sending out word to insurance interests in the state, declares that Attorney J. F. Boller, representing one of the organizations, is of the opinion that these decisions are broad enough to hold that any contribution through an organization for the purpose of either protecting or directly helping the business of the tax payer may now be deducted as an ordinary business expense.

Underwriters Agency Picnic

The Underwriters Agency and the Underwriters Casualty of Milwaukee met with great success at their annual outing. The office delegation went in decorated cars to Cedar Lake. There were swimming contests in addition to the regular games and dancing followed in the evening. The committee in charge was Anthony Shabart, A. W. Rogahn, Mrs. Lillian Trendler, Mrs. Leona Peterson and Miss Lorraine Gildner.

Golf Tourney Scheduled

The South Dakota Fire Underwriters will hold their annual golf tournament Aug. 29 at Elmwood park, Sioux Falls.

Plan Wisconsin Inspections

MILWAUKEE, Aug. 24.—Three town inspections in Wisconsin have already been scheduled by the Wisconsin State Fire Prevention Association, according to action taken at the executive committee meeting here Monday. The towns and dates are: West Bend, Sept. 20; Waupun, Oct. 28; and Portage, probably Jan. 18, 1928. The association is to carry on an intensive campaign throughout the entire state for fire prevention week this year, which will be observed Oct. 9-15.

IN THE MISSOURI VALLEY

DUMONT ISSUES CREDIT RULE

Amends Regulations Governing Collection of Agency Balances, to Effect Uniformity

LINCOLN, NEB., Aug. 24.—Commissioner Dumont of the Nebraska Insurance Department has added several amendments to the rule on agents' balances and credit, seeking to put the Nebraska operations in uniformity with those of other states. Agents have been accustomed to remit on each policy except life not later than 45 days after the date of a policy attaches. This section has been changed to read that the

remittance must be made by the agent within 45 days from the end of the month in which the policy was written and that all state agents, general agents and branch offices of the company must make their remittances to the home office as promptly thereafter as possible and practicable. Another amendment is the changing of the interest clause, this formerly providing a period of 30 days from the date of the policy or audit without interest, but now providing that interest must be charged after 45 days from the end of the month in which the policy is written. Mr. Dumont also informs the agents in the new ruling that they are to be held liable by their company for

all earned premiums on "not taken" policies covering Nebraska risks not cancelled and returned to the company within 45 days from the end of the month in which the policy was written.

LAW HELD UNCONSTITUTIONAL

Nebraska Commissioner Believes Statute Forbidding Foreign Company to Remove Case to Federal Courts Invalid

LINCOLN, NEB., Aug. 24.—The application of Joseph O. Burger, Omaha attorney for David Riseman, acting as the National Furniture Co., demanding the immediate cancellation of the permit of the Mechanics of Philadelphia to do business in Nebraska, has been denied by Commissioner John R. Dumont. Mr. Burger based his plea upon section 7759, compiled statutes of 1922, which provides that if a foreign insurance company removes to the federal court any suit between itself and a citizen of this state, the commissioner shall forthwith upon showing of such fact cancel the right of the company to do business in this state and shall not renew this permit for at least three years.

Commissioner Dumont, in making his decision, holds the state law unconstitutional, basing his holding upon the opinion rendered Feb. 22, 1922 by Chief Justice Taft in the case of Terral, secretary of the state of Arkansas vs. Burke Construction Co. U. S. report 257, page 529. It held that the constitutional right to resort to the federal courts cannot be taken away by a state or the privilege of doing business be withdrawn, nor can the state exact from a corporation a waiver of the exercise of this right, whether made in advance or not.

Insure at Depreciated Value

LINCOLN, NEB., Aug. 24.—Lincoln's public schools are to be insured in the future on their depreciated value instead of the replacement value, President M. L. Palmer of the school board announced recently, adding that the practice of carrying no insurance on the reinforced concrete buildings would be continued. School insurance is distributed according to the percentage of the amount of such premiums listed for taxation. This fact makes the Gates agency the only firm eligible under the board rule of placing insurance with companies reporting a minimum of \$5,000 in premiums for taxation with the county assessor.

Des Moines Adopts Building Code

DES MOINES, Aug. 24.—Des Moines' building code, first proposed eight years ago, has just become an actuality with the passing by the city council of the recently compiled code as a city ordinance. The code, as accepted, resembles the building code of Flint, Mich., with slight variations to suit local situations. It will require all buildings of any size or for any purpose to be built in accordance with expressed rules and regulations which will be enforced by the city building commissioner.

Opens Adjustment Office

A. A. Steinmetz, having severed his connection with the Western Adjustment, has opened an office as independent adjuster at 314 Farmers Union building, Salina, Kan.

Attorney Delays Refunds

TOPEKA, KAN., Aug. 24.—The Kansas business men who are entitled to a refund of the impounded premiums on tornado business under the insurance rate litigation will not get their money for several months and it may be a year before it is distributed. And they may not get so much of the \$160,000 in impounded premiums as was expected.

Commissioner Baker has determined not to attempt to make the refund of the impounded premiums on the tornado business until the question of the payment of an extra attorney fee to John Rhodes has been determined. Judge J. A. McClure of the Shawnee county district court, has indicated that he intended to allow Mr. Rhodes a special fee from the impounded premiums. Mr. Rhodes, as a special assistant attorney general, has been paid \$4,500 by the state for his services. He has asked the court to allow him an additional \$25,000 from



As Poor Richard said,

"If you will not hear Reason, she will surely rap your knuckles"

You cannot tell your prospects that when talking Insurance, but you can show them how the knuckles of others have been rapped.

And the experiences of others, for the time at least, impress the minds of those who hear them, as Poor Richard would say.

It is at such times—immediately after a fire, automobile accident, windstorm or other insurable misfortune—that you

should follow up the event while it is fresh in the minds of the public. Go right into the locality in which the incident occurred and talk insurance against that particular misfortune to the neighbors. They will be in a receptive mood and ready to listen to Reason.

Incidentally, another appeal to Reason is the age and reputation of the Company you represent—The Franklin Fire.

The Franklin Fire offers to agents a wide range of insurance covers. Well qualified agents in territories where this Company is not already represented, are invited to investigate the advantages offered by this old established Company.

The FRANKLIN FIRE INSURANCE COMPANY
of Philadelphia
Organized 1819



BREVOORT HOTEL

Madison Street
East of LaSalle CHICAGO

Insurance Headquarters

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.

CAPITAL RAISED

Selling organization of specialists in insurance securities will handle your stock issue; Reputable corporations only. Address B-39, care of The National Underwriter.

Organized 1859

NATIONAL LIBERTY Insurance Company of America

Head Office, Eastern and Western Depts.

709 Sixth Ave., New York

Statement—January 1, 1927

ASSETS	\$19,115,332.88
CASH CAPITAL	1,500,000.00
PREMIUM RESERVE	9,167,654.77
RESERVE FOR LOSSES, and All Other Liabilities.....	1,382,985.00
SURPLUS TO POLICYHOLDERS.....	8,564,683.11

The Company that Advertises its Agents

THE Alliance Insurance Company has become known as "the Company that advertises its agents".

For, every Alliance advertisement in The Saturday Evening Post, reaching millions of readers at a time, has "Alliance Agent" in the headline and something about his services, in the text.

The Alliance Agent does not have to put himself into "the picture"—he is put there beforehand by Alliance advertising.

So, to the prospective policy-holder, Alliance insurance is not only insurance in The Alliance Insurance Company—it is also insurance secured through the advice of an Alliance Agent.



**THE ALLIANCE
INSURANCE COMPANY**
of PHILADELPHIA

the impounded premiums. The state is opposing the allowance of any additional fee to Mr. Rhodes and it is regarded as certain that if any considerable amount is allowed the state will appeal the allowance and seek to have the supreme court set it aside.

Nebraska Directory Additions

In the Nebraska Handbook recently issued by The National Underwriter, Asa K. Lane, Box 332, Fremont, Neb., should be added to the list of field men. He represents the Firemen's, Girard and Superior as state agent. Also the following men should be added to the list of

field men: A. F. Mammen of Hay Springs, Neb.; W. D. Cave, Box 1286, Lincoln, Neb. These men represent the Reynolds Brothers, general agents, Fremont, Neb.

Iowa Notes

Reports from Charles D. Arnold, for several years the Sioux City manager of the Iowa Insurance Service Bureau, indicate that he is rapidly recovering from an operation performed in Rochester, Minn., recently.

A corporate charter has been granted by the secretary of state to W. F. Hillock Co. of Cedar Rapids, Ia., to conduct an insurance business. Capital is listed at \$10,000. W. F. Hillock is president and V. M. Hillock, secretary.

STATES OF THE SOUTHWEST

REPORT LOSSES ARE HEAVIER

Field Men in Oklahoma Say First Six Months Has Been Unsatisfactory As To Losses

OKLAHOMA CITY, Aug. 24.—There is a feeling among many state agents that the fire loss in Oklahoma the first six months of 1927 has been much greater than during the same period last year. Fred C. Clarke, state agent for the Aetna, in a recent interview said that the "fire insurance companies generally have suffered perhaps the worst experience for the first six months in Oklahoma in the history of the state, brought about by heavy fire losses for the first three months. These however, had moderated considerably for the months of April, May and June. The entire year, so far, has been the most disastrous and unusual in regard to windstorms, tornado and hail losses. Not only have the claims been numerous in the extreme, but the demand for general repairs has been charged to wind or hail; wind if they have no hail clause on the policy and hail if they do have such clause attached. It is the opinion that the loss ratio of practically every company doing business in the state is as high, perhaps higher than for any other six months for many years past.

"Crop conditions, especially corn, are splendid. Therefore, the field men anticipate that the last six months will show a much better record and by the end of the year, things will not be so bad as they now seem to be."

L. P. Gray of the Home finds fire losses running about the same as those of the first six months of last year, and much better than 1925; with hail and tornado experience more disastrous than in ten years previous.

From the viewpoint of E. I. Hoyle, manager of the Hoyle Adjustment Company, loss due to wind storms and hail has been very heavy. Summing up the fire loss during the period in question, he declared it about average, but added that it had fallen to the lot of a few companies which have had a bad experience.

The records of the Oklahoma City fire department reveal that fire losses in the city since Jan. 1, have been materially reduced from that of the same period last year. The former are estimated at \$101,143 and those of the first six months of 1926 were \$240,328. This is attributed by the chief largely to the activities of the fire prevention committee of the Chamber of Commerce and to the local inspections.

Presidential Enters Texas

The Presidential Fire & Marine of Chicago has obtained a permit to operate in Texas, with Walter Southgate of Dallas as state agent. The capital stock of the company is \$500,000.

W. S. Cunningham Resigns

GALVESTON, Tex., Aug. 24.—W. S. Cunningham, vice-president and managing underwriter of the American Fire & Marine here since its organization, has resigned. No successor has been named. No announcement is made concerning the future plans of Mr. Cun-

ningham but it is understood he is to remain in the insurance business. The American Fire & Marine was organized some three years ago.

Uses Airplane to Advantage

DALLAS, Aug. 24.—Last week E. C. Tips, special agent for the Gulf at Galveston, received a call from the home office to come in as quickly as possible. In three hours' time he was in the home offices attending to the business. He flew from Dallas to Galveston, a distance of some 350 miles. Discussing the use of airplane in the insurance business, Mr. Tips said in this day time is what counts in the insurance game as well as anything else. Rapid transportation is essential and that is why he is flying from place to place rather than pushing his automobile over all kinds of roads. Mr. Tips makes regular trips in his airplane from headquarters in Galveston to Houston, San Antonio, Beaumont, Brownsville, El Paso and Dallas. He uses his plane in other jumps where cities have good landing fields.

Oklahoma Association Meeting

The annual meeting of the Oklahoma Association of Insurers will be held at Tulsa, Oct. 11-12. Harry S. Carlin of Oklahoma City is president, Jay H. Mullen of Bartlesville is vice-president and M. B. Breeding of Oklahoma City is secretary-treasurer.

Last Assessment Concern Goes

LITTLE ROCK, ARK., Aug. 24.—The last mutual fire insurance company doing business in Arkansas under the old mutual assessment plan passed out of field when Commissioner J. S. Maloney cancelled the permit of the State Mutual Fire Insurance Association. Cancellation followed admission of the association at a recent hearing that it was insolvent. A. D. Dulaney, state fire marshal said. The present law will not permit organization of insurance associations on the plan of the State Mutual and revocation of the license of that company means the end of its plan so far as this state is concerned.

Many Ranch Fires

Farm, barn and ranch fires in Texas last week exacted losses of more than \$75,000. Twenty-five sections of fine pasture land near Weatherford burned with loss of \$25,000 and a strip ten miles square running to the very edge of San Antonio added as much more. Blooming Grove, Claremont, Chillicothe, Van Alstyne, Granger, Lockhart, Sherman, reported another \$25,000.

Dallas Exchange Elects

DALLAS, Aug. 24.—At the regular meeting of the Dallas Fire Insurance Underwriters Exchange last week Dan Houseman of the firm of Cochran & Houseman was elected president. Other officers named for the year are: Ray McDowell and Dallas Smith, vice-presidents; A. T. Simpson, secretary and treasurer. The board of directors in addition to the officers is composed of Harry Maxson, R. W. Thompson and C. R. Burton.

Changes in Key Rates

AUSTIN, TEX., Aug. 24.—The Texas state fire insurance commission has issued new fire insurance schedules as follows: Arlington at 39 cents and Bailey at \$1 retain their old key rates while

Brookston has a reduction from 99 to 98 cents and Dodd City is raised from 91 to 95 cents. The key rate of Brady was changed from 32 to 33 cents, Lometa 68 to 72 cents, Parryton 56 to 29 cents and Westaco 49 to 52 cents. By applying the 1922 key rate schedule, the key rate of Farmersville was raised from 59 to 61 cents. Waterworks system improvements caused reductions as follows: Baird from 60 to 49 and Stephenville 53 to 42 cents.

Texas Notes

Mrs. Anna A. Smelker of Beaumont, Tex., died last week. Mrs. Smelker was the mother of Thomas V. and Charles N. Smelker of T. V. Smelker & Co., prominent insurance agency at Beaumont.

G. N. Holton, a member of the State Fire Insurance Commission, and W. B. Shoe, manager of the compensation department, were speakers at the evening at the regular meeting of the Bexar County Safety Council at San Antonio Thursday. Various phases of industrial compensation were discussed at length by these experts in their lines.

The Wright Theater, Gurdon, Ark., was wrecked early Friday morning by an explosion with damages estimated at \$25,000.

SOUTHERN FIELD

WAS NOT THE SOLE OWNER

Mississippi Supreme Court Hands Down Decision in Case Where Title Had Been Changed

Where insured's grantor held title to property for life held deed from such grantor to insured did not make insured the sole and unconditional owner in fee of insured property. In Hartford Fire vs. McCain, Supreme Court of Mississippi, 106 So. 529, the insured brought action on a policy to recover for the destruction of a tenant house. By its terms the insured warranted that he was the sole and unconditional owner in fee simple of the title.

Following the destruction of the property the company denied liability on the ground of a breach of the foregoing warranty. The evidence tended to prove that the insured's wife deeded the property to him in fee simple. However, it appears, that the insured's wife held under a deed which only gave her a life estate in the property. On this state of facts, the court in holding that the insured was not "the sole and unconditional owner in fee" of the property, and hence his warranty to this effect precluded his recovery on the policy said:

What the Court Held

"One of the conditions on which the policy is given any validity by the contract of insurance is that the insured is the sole and unconditional owner in fee of the property insured, and it has been repeatedly held by this court that this clause is reasonable and valid, and that a breach of such stipulation, unless waived by the company, will relieve the company of liability. * * *

Meaning of Words Well Established

"The meaning of the words 'sole and unconditional ownership in fee' is well established. The ownership of an insured is sole and unconditional when no other person has any interest in the property as owner, and the quality of the estate is not limited or affected by any condition. * * *

"In the case at bar the appellee claimed title under a deed which on its face purported to convey sole and unconditional ownership in fee, but he was met with a deed showing that his grantor had only a limited interest in the property, and, of course, his grantor could convey no greater interest than she owned. Under these deeds the insured could only acquire an estate for the life of his wife, with remainder at her death to her children. * * *

Breach of Condition

"The introduction of the deed conveying to the insured's grantor only a life estate swept the foundation from

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice-President and Secretary

JOHN KAY, Vice-President and Treasurer

WELLS T. BASSETT, Vice-President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	CAPITAL	LIABILITIES	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$5,000,300.00	\$17,796,927.66	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853

THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$1,000,000.00	\$2,938,563.59	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854

MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$600,000.00	\$2,748,734.22	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866

NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$1,000,000.00	\$2,702,814.94	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871

SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$1,000,000.00	\$2,598,996.65	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870

CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.00	\$1,000,000.00	\$2,942,034.49	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1866

CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$300,000.00	\$733.34	\$424,031.61	\$ 724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA.

CONCORD, N. H.

MILWAUKEE, WIS.

PITTSBURGH, PA.

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Western Department

844 Rush Street

HERBERT A. CLARK, Manager

SAN FRANCISCO, CAL.

Pacific Department

66 Sansome Street

W. W. & E. G. POTTER, Managers

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Every room an outside room. Finest Ballroom in Northwest. Every facility for conventions up to 1,500.

ROOMS

59 at \$2.00	257 at \$3.50
83 at 2.50	41 at 4.00
84 at 3.00	33 at 5.00

Suites and Special Rooms at \$6 to \$9.
W. B. CLARK, Manager

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8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

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The following are recommended as among the prominent and reliable agencies with good facilities for exchange and outside business.

CONNECTICUT

THE CASE INSURANCE AGENCY
solicits a share of your
CONNECTICUT INSURANCE BUSINESS
Norwich Connecticut

KANSAS

**WHEELER KELLY AND
HAGNY COMPANY**
Wheeler Kelly & Hagny Bldg.
Wichita, Kansas

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Lawton-Byrne-Bruner
INSURANCE
Saint Louis

OHIO

RAIN INSURANCE
Covers loss of business by stores,
athletic events, fairs, etc. Write to
THE JAMES & MANCHESTER CO.
830 VINCENT AVE. CLEVELAND, O

COLORADO

Standart & Main
General Agents for
Colorado, New Mexico & Wyoming
Patterson Bldg. DENVER

KENTUCKY

**Chapman Insurance
Agency**
GENERAL AGENTS
U. S. Casualty Co. and agents for
leading Fire Insurance Companies
1310 STARKS BLDG. LOUISVILLE, KY.

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Fred J. Cox, Vice President & Treas.
Roy C. Evarts, Secretary
Insurance, Mortgages and Real Estate
87 Smith Street
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Established 1899
FRANK J. MACKLIN
FIRE INSURANCE
306-10 Citizens Bank Bldg.
COLUMBUS, O.

ILLINOIS

**CRITCHELL, MILLER
WHITNEY & BARBOUR**
Established 1868
Insurance Exchange Building
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LEON IRWIN & CO., Inc.
Unexcelled Insurance Facilities
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Essex Building, 35 Clinton Street
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THE C. F. MEDARIS CO.
Loans - Insurance
Surety Bonds
610 Gardner Bldg. Toledo, Ohio

Eliel and Loeb Company
Insurance Exchange
Chicago

MICHIGAN

Creed & Stuart, Inc.
234 State Street, Detroit
MARINE and
GENERAL INSURANCE

A. M. FREEMAN CO.
General Insurance
14 Leading Companies
420 E. State St. TRENTON
Day 5979 - Phones - Night 8372

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The Davis-Woodman Co.
INSURANCE
Corner Phelps and Boardman Streets
Youngstown, Ohio

FRED S. JAMES & CO.
Insurance Exchange Building
Chicago

Detroit Insurance Agency
George J. Grau, Pres.
Harry L. Newman, Vice-Pres.
George W. Carter, Vice Pres.
Louis J. Lepper, Sec. -Treas.
Dime Bank Bldg. Detroit, Mich.

CENTRAL FIRE AGENCY, INC.
(Underwriting Agency)
Risks accepted throughout the United
States, Canada, Cuba and Porto Rico
92 William Street, New York City

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**THE T. E. BRANIFF
COMPANY**
Insurance Specialists
Oklahoma City, Oklahoma

S. E. MOISANT CO., Inc.
Largest Agency in Kankakee Co.
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INSURANCE UNDERWRITERS
Tenth Floor, Donovan Building
DETROIT, MICH.

ESTABLISHED 1870
**The Bruner-Goodhue-Cooke-
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General Insurance
AKRON, OHIO
Representing Leading Companies Only

**General Insurance
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OKLAHOMA CITY, OKLA.

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Peoria, Ill.
215 S. Jefferson Ave. Phone 6737

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The McINTOSH-BOWERS-WEST CO.
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Promptly Handled
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American Agency Company
GENERAL AGENTS
Fire and Casualty Company
Atlas Life Building
TULSA, OKLA.

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LOVENTHAL BROS.
Representing Fourteen Strong
Companies, writing every form of
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Engineering Dept. J. E. Brown Brokerage Dept. O. W. Linder
W. Va. Brokerage Solicited

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Established 1882
General Insurance
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J. F. Paull & Company
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HAIL AUTOMOBILE TRACTOR

Organized 1867

WHEELING FIRE INSURANCE CO.

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Capital \$200,000.00
Surplus to Policyholders \$380,507.56

O. E. STRAUCH, Secy. WM. V. FISCHER, Asst. Secy. C. W. VOELLGER, State Agent
SAFE SOLID SOUND

MINNEAPOLIS FIRE & MARINE INS. CO.

430 Oak Grove Street
Minneapolis, Minnesota

Fred C. Van Dusen, President John D. M. McMillan, Vice-Pres.
Walter C. Leach, Sec'y and Treas. F. M. Merigold, Ass't Sec'y.

FIRE—TORNADO—THRESHER—AUTOMOBILE INSURANCE

under appellee's claim of sole and unconditional ownership in fee, and was a prima facie showing of a breach of the condition of the policy contract, and, in the absence of other proof, entitled the appellant (insurance company) to the peremptory instruction requested by it."

James M. Young Ill

James M. Young, special agent for the Georgia Home in Virginia, West Virginia and North Carolina, with Richmond headquarters, is in University hospital at Charlottesville, Va., under observation for appendicitis.

Will Meet at Hot Springs

RICHMOND, VA., Aug. 24.—The next meeting of the Fire Insurance Field Club of Virginia will be held at the Homestead hotel, Hot Springs, Sept. 27.

Separate Loss Records Requested

Commissioner McMahan of South Carolina has sent to the fire companies operating in that state a list of 69 cities and towns for which they are requested to keep separate records of losses paid in 1927. The request reads in part:

"I shall require in the annual statement a report of the fire losses in each municipality, to be compared by me with the premiums collected therefrom and shown in your report in connection with your payment of 1 percent to the firemen's fund."

McCann Opens Adjusting Office

James C. McCann, who formerly operated the St. Louis Adjusting Company, but who sold out his interest in that concern several months ago, recently opened the McCann Adjusting Company

in Mobile, Ala. The company has its offices in the Meaher building, Mobile. Associated with Mr. McCann in his new enterprise is Jack Lynn, who formerly was with the St. Louis Adjusting Company. The agency makes adjustments for companies only.

Louisiana Rate Hearing

The Louisiana insurance commission has set Sept. 29 in New Orleans as the date of the hearing on the rate increase requested by the Louisiana Rating & Fire Prevention Bureau on behalf of the stock fire companies operating in the state.

Paper Changes Front

Complete exoneration of officials of the Tennessee Inspection Bureau of the charge of "juggling rates" on fire risks in this city was given this week by the "Jackson Sun," Jackson, Tenn., one of the most belligerent institutions in the demand for lower rates.

The "Sun" in an editorial concludes that the question of rates is a matter of individual responsibility, and that when the property owner decreases the fire hazard on his property lower rates inevitably result. On the other hand, it was shown that those owners who permit fire hazards on their property should pay higher rates.

Gibbs Succeeds Klamon

RICHMOND, VA., Aug. 24.—F. W. Gibbs, assistant professor of accounting at the College of William and Mary, has succeeded Dr. J. M. Klamon as statistician for the legislative commission investigating fire and casualty rates in Virginia. Dr. Klamon, professor of economics at that institution, resigned the post of statistician recently. The commission has held several hearings but is not yet ready to draft its report.

ON THE PACIFIC COAST

COMPANIES HELD TO RULES

Pacific Board is Enforcing Regulations
Regarding Criticisms of Various Risks
Insured by Members

SAN FRANCISCO, Aug. 24.—While reduced premium income is being experienced by a goodly number of fire insurance companies on the coast, the daily report examiners find they are busier than heretofore. This is occasioned by a spirit of reform, which has permeated the office of the Pacific Board in the matter of criticism slips. Until recently the companies have not put the proper spirit into their requests to agents for elimination of criticism tags, and the board, too, has been lenient with the companies.

Now Russell Osborne of the board office says the companies must toe the mark or suffer the penalty fine of \$50 minimum up to \$500 maximum. Further, any company found guilty of a violation, must not only pay the fine assessed but remain off the risk affected for the term of the insurance. This keeps the offices on the jump as one of the board's lieutenants is now making daily rounds, calling at all offices with a list of unsatisfied criticisms, and it sometimes happens that the fine applies. In fact, it is reported, one of the companies has been made to pay the maximum penalty with numerous smaller assessments for others. The daily report examiners have been instructed to play no favorites but see that all agents attend to criticisms promptly.

Canning Lines Not Wanted

SAN FRANCISCO, Aug. 24.—The small fruit canning factories which, in former times, were very much in evidence in California are passing in a great measure, having succumbed to the inroads made by the large packing industries. While the latter have absorbed most of the smaller plants, some few are still being operated, but the fire insurance companies look askance at offerings on them. The canning season is now in full swing on the coast and insurance is being peddled around with but few companies indulging in the gamble.

SELL BROKERAGE BUSINESS

Recently Consolidated San Francisco
Firms Will Operate Exclusively on
General Agency Basis in Future

SAN FRANCISCO, Aug. 24.—One of the first adjustments which will be made Sept. 1 when the firm of Balfour-Kessler Agencies, formed through the consolidation of the insurance department of Balfour, Guthrie & Co. and Jensen & Kessler, commences active operations, will be the disposal of the brokerage department which was a large part of the former firm. This was the announcement made by Don E. Kessler, who will be the executive head of the consolidated organization. While the Balfour-Guthrie firm was general agent for several companies on the Pacific Coast it also maintained a large brokerage business, principally for marine business. It is the intention of the new firm to sell this business and confine all future operations to general agency business.

Handicapped by Activities

This is one of the main conditions under which the consolidation was effected, it is said on the street in San Francisco, Jensen & Kessler always being opposed to a firm attempting to operate as both brokers and general agents. Balfour-Guthrie's brokerage activities caused that firm to lose a considerable volume of business for the general agency department, especially in San Francisco where all of the insurance business is placed by brokers. Several years ago the Insurance Brokers Exchange of San Francisco protested against this dual capacity of Balfour-Guthrie as well as one or two other similar organizations, including Marsh & MacLennan. As a result of this the patronage from the several hundred independent brokers was comparatively small. Jensen & Kessler, on the other hand, have always conducted their business exclusively on a general agency basis and have enjoyed an increasing volume of business from brokers, most of whom would not deal with Bal-

FINANCIAL STATEMENT

MARYLAND INSURANCE COMPANY

95 MAIDEN LANE
NEW YORK

ASSETS

Bonds and Stocks (Actual market value December 31, 1926)	\$ 915,566.00
Cash in Bank and in Office	1,092,005.76
Premiums in course of collection	179,007.93
Other Assets	7,105.17
	\$2,193,684.86

LIABILITIES

Unearned Premium	\$ 253,552.23
Losses in process of adjustment	55,739.00
Reserve for taxes and other bills	20,700.00
	\$ 329,991.23

Capital	\$ 750,000.00
Net Surplus	1,113,693.63
Policyholders' Surplus	1,863,693.63
	\$2,193,684.86

	1925	1927
Net Premiums	\$ 292,811.52	\$ 520,663.99
Assets	1,048,263.38	2,193,684.86
Liabilities	273,265.18	329,991.23
Capital	500,000.00	750,000.00
Surplus	274,998.20	1,113,693.63

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by the*
NIAGARA FIRE INSURANCE COMPANY
OF NEW YORK



CASH CAPITAL, \$500,000.00

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The East and West is such a company, sponsored by the old reliable Security Insurance Company of New Haven which has an enviable record dating back to 1841. The East and West is a strong, growing company writing Fire, Lightning, Tornado and Automobile insurance, the kind of Company you will be glad to have in your agency.

Owned by and under the Management of
Security Insurance Company of New Haven

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

four-Guthrie Company due to their maintaining a brokerage department.

Reports that W. E. Ord, for many years head of the marine insurance department of Balfour, Guthrie & Co. and named as a vice-president of the new firm, was to resign to become associated with the San Francisco office of Johnson & Higgins, have been denied. The statement was made that Mr. Ord had been proffered the position as marine manager for this firm to succeed E. A. Hassan who recently retired after having managed the marine business of Johnson & Higgins for about 22 years.

Idaho Rates Reduced

SAN FRANCISCO, Aug. 24.—James Branscomb, manager of the Idaho State Rating Bureau, who was in San Francisco last week to discuss the rate situation with members of the Idaho committee, is returning to Boise to issue reduction in rates on certain preferred classifications in protected cities. It is said that these reductions will equal the recent reductions made in Washington

and that there will be increases in rates on the more unfavorable classifications. This decision is the result of a number of conferences held in San Francisco and Boise between the Idaho insurance commissioner and the Idaho committee of companies doing business in that state. These changes are to take effect as soon as issued by the rating bureau. It is reported that separation is proceeding with marked success in Idaho.

W. S. Northup Dead

Warren S. Northup, 39 years of age and prominent insurance man at Seattle, Wash., died last week. He was formerly secretary-treasurer of the Kinnear-Paul Company. Before going to Seattle he was for 10 years a resident of Escanaba, Mich., where he also was engaged in the insurance business.

Griffiths in New York

J. C. Griffiths of San Francisco, Pacific coast manager of the Commercial Union fleet, is in New York in conference with the United States management.

IN THE MOUNTAIN FIELD

CONTRACT NOT ENFORCEABLE

Oral Agreement of Foreign Company to Reinsure Is Held Contrary to Colorado Statute

In United American vs. Union Fire, supreme court of Colorado, 237 Pac. 246, the plaintiff brought an action against the defendant on an alleged oral agreement by the latter to reinsure \$2,000 of a \$5,000 policy written by the former. The plaintiff alleged that the resident agent of the defendant orally agreed to the reinsurance; that within two days after said agreement, and before the reinsurance was written, a loss occurred and the defendant refused to pay or write the reinsurance.

Requires Resident Agent

The defendant it appears, was a foreign company. It therefore pleaded a statute of Colorado which provided, among other things as follows: "No foreign fire or casualty insurance company doing business in this state shall make, write, place or cause to be made, written or placed any policy, duplicate policy or contract of insurance of any kind or character or any general or floating policy, upon persons or property resident, situated or located in this state; except after the said risk has been approved, in writing, by an agent who is a resident of this state, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued and receive the full commission thereon when the premium is paid."

No Policy in Existence

The trial court sustained a demurrer to the complaint, on the ground that it did not state a cause of action in view of the foregoing provision of the statute. The plaintiff appealed from this ruling and the higher court in reviewing the

record, and in affirming the judgment rendered by the trial court, said: "The plaintiff in error claims, however, that this was an executory agreement to insure, not an insurance, and consequently is not within the category 'contract of insurance' in the above statute. We cannot assent to this proposition. The language of the statute indicates an intention on the part of the legislature emphatically to forbid, except upon the required approval, any contract amounting to insurance, in substance, whether technically a policy or not; yet the complaint seeks the same result as if there were a policy."

Big Garage Loss in Denver

DENVER, Aug. 24.—The third fire in less than two years, razed the Don Hogan automobile agency last week and did approximately \$200,000 damage, the larger part of the loss being covered by insurance. The Hogan company is the agency for Rickenbacker and Kissel cars. City detectives who investigated the case with fire officials said that two separate fires were started in the building, one in the basement and the other on the second floor.

It was said that the loss to automobile parts completely covered by insurance would run \$60,000; the building which was insured for \$40,000 suffered \$20,000 damage, and between \$35,000 and \$40,000 would cover the loss to automobiles stored in the building. The cars stored in the building were insured for \$50,000.

S. R. Landis Recovering

DENVER, COLO., Aug. 24.—S. R. Landis of Cobb-Miller-Stebbins, a general insurance firm, who fell 268 feet down an almost perpendicular cliff near Crested Butte, Colo., in an automobile accident recently, is rapidly recovering from injuries at St. Luke's hospital here.

NEWS FROM EASTERN FIELD

SUBROGATION IS INVOLVED

Unusual Circumstances Seen in Case Affecting Insurer, Insured and Railroad Company

A recent decision of the court of appeals in the case of the Hamilton Fire vs. Maurice W. Greger and the New York, Susquehanna & Western Railroad involves in an unusual manner the subrogation of the rights of an insurer as to recoveries from third parties responsible for losses to a policyholder

which have been paid by the insurance company. The decision reverses the appellate division of the supreme court, which had given judgment for the plaintiff.

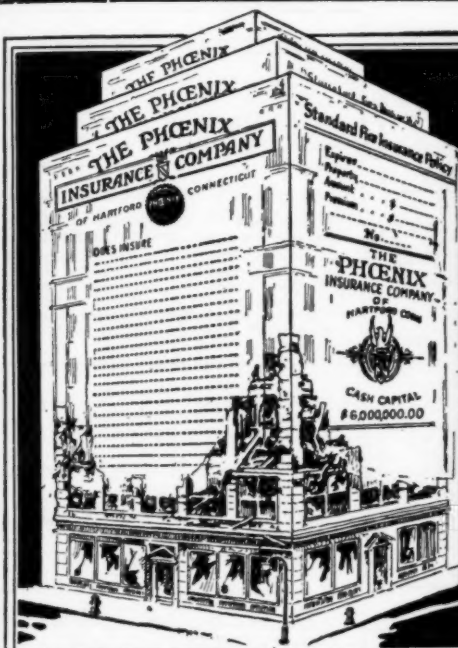
The assured, Greger, was covered on collision by the Hamilton Fire. His car was destroyed, and the insurance company paid the loss. Greger thereafter started action against the railroad company for personal injuries and damage to personal property. The railroad company settled with Greger for \$3,000 before the case was tried, and Greger gave the railroad a general re-

AMERICAN ALLIANCE INSURANCE COMPANY NEW YORK

STATEMENT JANUARY 1, 1927

CAPITAL
\$2,000,000.00
RESERVE FOR ALL OTHER LIABILITIES
2,052,444.41
NET SURPLUS
3,676,806.27
ASSETS
7,729,250.68
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS
\$5,676,806.27
LOSSES PAID POLICY HOLDERS
\$11,129,365.83

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C. R. STREET, Vice-President
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(CONTINUED FROM PAGE 30)

lease. Then the Hamilton Fire began an action against Greger and against the railroad company on the basis of breach of contract. In its opinion the court of appeals held that before an insurer can hold an assured liable for breach of contract under the conditions prevailing in this case, the company must first prove that the third party, who caused the damage, was guilty of negligence, and must thereafter allocate the damage in accordance with the settlement effected with the assured. The court said in part:

"Even if it should appear that in fact the release was taken by the railroad company without knowledge that the insurance company was subrogated to part of Greger's claim against the railroad company and was intended to cover all the damages suffered by Greger, it would still appear that the insurance company should recover only for the loss it has sustained by that release."

GIVE CONVENTION PROGRAM

Complete Plans for Annual Meeting of Pennsylvania Agents at Reading

The annual meeting of the Pennsylvania Association of Insurance Agents will be held Thursday and Friday of this week at Reading. The program is as follows:

Opening Session

Call to Order by President D. F. Ancona of the Reading Fire & Casualty Underwriters Association.

Address of Welcome—Mayor William E. Sharnan.

Response to Welcome—R. L. Rogers, Erie.

Presentation of President H. E. McKelvey to the Convention—D. F. Ancona, Reading.

President's Address—H. E. McKelvey. Discussion.

"Pennsylvanian." (Report of Editor.)
—John A. Dalzell, Pittsburgh.
Treasurer's Report—Fred V. Rockey, Harrisburg.
Secretary's Report—John S. Burwell, Scranton.
Appointment of Committees.

Thursday Afternoon, Aug. 25

Ladies will leave Hotel Berkshire by automobile for trip to points of interest in and about Reading. Tea served at Reading Country Club.

"Developing Automobile Insurance"—Leo E. Thiemann, Casualty Information Clearing House.

"Our National Association"—Walter H. Bennett, Secretary-Counsel.
Executive Session for members only. Discussion.

Thursday Evening, Aug. 25

The Get-Together Dinner, Hotel Berkshire. Guests: Matthew H. Taggart, Insurance Commissioner, and Walter H. Bennett.

Friday Morning, Aug. 26

Address—Abram S. Galland, Wilkes-Barre.

Discussion.
Ladies will be taken for automobile trip. Guests will assemble in lobby of Berkshire Hotel.

Round-Table Discussion.

Friday Afternoon, Aug. 26

Report of committees.
Election of officers.
Unfinished business.

H. E. McKelvey of Pittsburgh is president of the Pennsylvania association. The Reading Fire & Casualty Underwriters Association will be in charge of all the arrangements. D. F. Ancona is president of the Reading association.

George L. Gross Dead

George L. Gross of the G. L. & H. J. Gross agency of Providence, R. I., one of the oldest agencies in the east, died last week. About five months ago the other member of the firm, Harold J. Gross, died.

Abraham Rudolph, a grocer of Philadelphia, was held without bail for the grand jury on a charge of arson. Four separate fires were found by firemen in a blaze last week, according to the testimony of Captain Edwin Fair of the fire department.

NEWS FROM CANADA

PLAN BANQUET FOR OFFICIALS

To Give Complimentary Dinner to Provincial Superintendent on Eve of Conference

A committee, representing fire, life and casualty insurance offices in Canada, purposes tendering a complimentary dinner to the members of the Association of Superintendents of Insurance of the Provinces of Canada and their guests on the evening preceding the conference which is to be held at Quebec during the following three days, in Montreal. James A. Beha, superintendent of insurance for New York, and Howard P. Dunham, insurance commissioner of Connecticut, will give addresses. The personnel of the committee arranging the dinner for Aug. 29 is: T. G. Conkey, chairman; H. W. K. Hale, representing life insurance; Lewis Laing, J. W. Binnie, representing fire insurance; F. D. Knowles, John Jenkins and Alexander Hurry, representing casualty insurance; and D. L. Young, secretary.

Fire Losses Increase

According to the "Monetary Times," fire losses in Canada for the week ending Aug. 10 are estimated at \$268,500, as compared with \$140,000 for the corresponding week of 1926.

Fire Chiefs in Winnipeg

WINNIPEG, Aug. 24—About 100 members of the International Association of Fire Chiefs from the United States were visitors to the city this week and spent a day sight seeing. They were on a tour of Canada, on their way home after attending their convention in Portland,

Ore. They left for Duluth after their visit here.

Canadian Notes

G. R. Johnson of Edmonton, Alta., has been appointed to represent the Commercial Union of New York.

R. S. Gillespie of Red Deer, Alta., has been appointed to represent the National-Liverpool Underwriters' Agency.

Harold Huxley of Lloydminster, Sask., has been appointed to represent the Scottish Metropolitan Assurance.

McCallum, Hill & Co. of Regina, Sask., have been appointed to represent the Fidelity Underwriters of New York.

Osler, Hammond & Nanton of Winnipeg have been appointed general agents

of the Imperial Insurance Office for the provinces of Manitoba and Saskatchewan.

The Merchants Insurance Agencies, Ltd., of Winnipeg, have now changed their name to Morgan, Nicholson, Ltd.

Henderson Agencies, Ltd., of Moose Jaw, Sask., have been appointed to represent the London & Lancashire Guarantee & Accident of Canada.

Two forest fires were reported this week as raging in the vicinity of Sudbury, Ont., and over 500 acres of timber were destroyed. Lightning is believed to have started them.

Major P. A. Beveridge, manager of the Calgary branch of the Western Empire, was killed this week at Calgary, when his automobile was struck by a train at a crossing in the city limits.

for the automobile underwriters of Dallas with headquarters at the home office. Mr. Allen has been Texas branch manager for the International Indemnity of Los Angeles for the past 18 months and prior to that was assistant manager of the Texas branch office of the Standard Accident for five years.

FORM NEW AUTOMOBILE CLUB

St. Louis Has Second Organization Following Entrance Into Insurance Activities by Old Body

ST. LOUIS, Aug. 24.—The National Automobile Club has been organized in St. Louis as a rival to the Automobile Club of Missouri, which recently entered the insurance business indirectly by the formation of a closely affiliated reciprocal insurance exchange. The promoters of the new automobile club are not insurance men, and so far as can be learned no insurance men are interested in it, but it is believed that many members of the old club that object to its entry into insurance field will be attracted by the new organization.

A new national organization of automobile clubs is to be launched at Washington, D. C., this week, and it is probable that the new St. Louis club will affiliate with that body, since it cannot represent the American Automobile Association with which the Automobile Club of Missouri is connected. The decision to form a new national body was reached at a conference held in Atlantic City recently by autoists from eastern, middle western and southern states.

Comparatively few, if any, of the insurance men of St. Louis favor the formation of a rival automobile club, feeling that the experience and prestige of the Automobile Club of Missouri is a very valuable asset. However, they are opposed to the club's going into the insurance business, and it is probable that at some future date this entire question will be submitted to the rank and file of the automobile club for final decision. Members of the Automobile Club of Missouri have been solicited for their insurance business and have not been told that the insurance exchange is not actually a legal part of the club. Membership solicitors for the automobile club have also been used to solicit insurance for the new exchange.

Stop Fleet Rate Abuses

LINCOLN, NEB., Aug. 24.—Because the officers of many concerns were including their own private cars in the group to be insured by their company under a fleet rate, Commissioner Dumont has made a rule that all such practices shall

be discontinued after Sept. 1. The insurance department further stated that the practice resulted in discrimination and was viewed as a form of rebating. Commissioner Dumont explained that companies owning several motor trucks and salesmen's cars were grouping them together in order to reap the benefits of a fleet rate. Officers and employees of such companies have been including their own private cars in the group in order to profit by the lower rate.

Value of Automobile

Where the plaintiff's automobile was damaged by fire in a paint shop, held that measure of damage is the value of the car immediately before the injury and the value of the car after the damage. *Ford Motor Co. vs. Potomac Ins. Co., Ct. of Appeals, 8th Dist. Ohio.*

LaSalle Mutual Licensed

LANSING, MICH., Aug. 24.—Certificate of authority was granted late last week to the LaSalle Mutual of Detroit, which is to write a general automobile business for operators of LaSalle cabs. The company, organized under the general mutual law, plans to write a complete coverage for all operators of the particular cab line named, but the present articles and by-laws will not allow any outsiders to become members. Murray Sobel has been named as president of the new carrier with Frank Carney as vice-president, Ben Brown as secretary-treasurer and William Kollar and George Palmer as directors.

Declares Women Stockholders Will Not Sell Their Shares

A BROKER who has had much experience in dealing with insurance stocks states that it is very difficult to round up considerable of the stock of the older companies because so much is owned by women. When control of one of the older companies is sought, the brokers confront women ownership which is an obstacle difficult to overcome. He cited the example of a bank in Evansville, Ind., some years ago, where three-fourths of the stock was owned by women who had come into possession of the shares through gift or inheritance. These stockholders were of no business value to the bank. They would not sell their stock. It became necessary therefore to organize a new bank with new capital and liquidate the former institution to get rid of women stockholders. In explaining the situation he said:

How Stock Is Acquired

"Women become stockholders of insurance companies largely because their husbands or fathers originally purchased the stock. Thoughtful women are careful about reinvesting funds that have been bequeathed to them. In the first place there is a sentimental value attached to stocks that have come to them in this way. Furthermore, they have a regard for the judgment of their husbands or fathers, feeling that they had gone into the subject matter thoroughly and become convinced that these securities were worth having. They hesitate therefore to dispose of them even if offered a very substantial advance. In fact, the women are always looking for something better and think that the earnings on these investments

MOTOR INSURANCE NEWS

MAY ISSUE STANDARD FORMS

Texas State Fire Insurance Commission Proceeds With Preparations for Supervision of Automobile Insurance

AUSTIN, TEX., Aug. 24.—When the attention of the Texas attorney general's department was called to the fact that insurance companies writing automobile coverage in Texas are using many and diverse policy forms, it was explained by Assistant Attorney General H. B. Cousins, Jr., that under the new law the companies have until Sept. 15 to file all rates, schedules and policy forms. He further stated that the fire insurance commission has never promulgated a standard form and, therefore,

the companies are privileged to continue writing on their own forms. It is expected that after Sept. 15 the commission will issue standard policy forms for use in Texas.

G. N. Holton, member of the commission, said that body will not resolve itself simply into a stamping organization but will find some method of supervising the rates and policy forms. He said that the commission will ultimately analyze all the automobile rates on all classes of coverage, as well as the policy stipulations, and will withhold its approval where it thinks the contracts and rates are not what they should be.

Allen with Automobile Underwriters

DALLAS, Aug. 24.—Grady W. Allen has been appointed agency supervisor

WM. R. MEDARIS
President

H. S. BASSETT
Secretary

PAUL H. BASSETT
Asst. Secretary



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will probably increase. They feel it would be unwise to part with them."

Announce Convention Date

NEW ORLEANS, LA., Aug. 24.—The semi-annual or mid-winter meeting of the Association of Fire Insurance

General Agents will be held in New Orleans Friday and Saturday, Oct. 21-22. Preliminary announcement of the meeting has been sent out by Douglas Watson, secretary-treasurer of the association. As this time immediately follows the convention of the National Association of Insurance Agents, which

meets in New Orleans, Oct. 18-20, it is expected that the association of the fire insurance general agents will have one of its largest gatherings since its formation. Convention headquarters have been established at the Roosevelt hotel and ample hotel facilities are available. The committee in charge of the meeting

is now working out the program, planning an interesting combination of business and entertainment.

John O. Buckles, president of the Buckles Insurance Agency of Vincennes, Ind., died Aug. 11. Mr. Buckles had been engaged in insurance agency work in Vincennes for many years.

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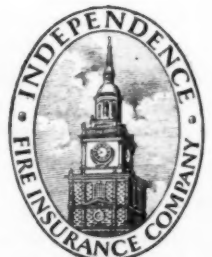


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The National Underwriter

August 25, 1927

CASUALTY AND SURETY SECTION

Page Thirty-seven

MASSACHUSETTS RATES ARE FOUND ADEQUATE

EXPERIENCE IS FAVORABLE

Companies Make Profit in Spite of Doleful Predictions of Disaster

Tariffs Established for Compulsory Auto Liability Insurance by Commissioner Monk Prove Accurate

BOSTON, Aug. 24.—The rates on compulsory automobile liability insurance arbitrarily fixed by Commissioner Monk of Massachusetts last fall, without any experience to guide him and with no similar law in the world upon which to base his calculations, have proved to be adequate to meet the experience on this class of business during the first five months of the operation of the law, according to one who has had access to the experience filed by the Massachusetts Automobile Rating & Accident Prevention Bureau with the commissioner the past week.

Experience Is Favorable

The margin between the premium income under the compulsory law and the losses experienced plus the acquisition cost is very small, but it is still favorable to the underwriters, it is claimed. With this fact before him, and in appreciation of the fact that the experience is but fragmentary, covering only five of the months of the year and a period when traffic was light, the indications are that the commissioner, in approving rates for next year, which must be filed before Sept. 1, will make but slight, if any, changes in the manual rates at this time. In fact, it is known that the commissioner is of the opinion that little weight can or will be given to the experience of the five months as filed with him. Time has developed some necessary changes in the operation of the law, and such changes will be made. They will have more to do with the territorial divisions and the classification of cars and the taxicab problem than general rates, however. In fact, an entirely new manual will be gotten up and printed, embodying the changes and presenting the rules in a new form, simplified and more workable.

Study Acquisition Cost

Whether or not the acquisition cost allowance will be increased is a matter of exceeding interest to the agents and brokers. Both classes have had hearings with the commissioner the past week. At the outset of the new law the commissioner allowed an acquisition cost of 17.2 percent. He stated he was not concerned with how the companies divided that amount with the agents and brokers. As a general practice the sub-agents and brokers have been getting 10 percent. Some sub-agents have been getting considerably more. At the

(CONTINUED ON PAGE 47)

CHANGE IN CONTROL OF ILLINOIS INDEMNITY

WILL NOW BE STRENGTHENED

Interests Connected With Republic Casualty Underwriters Purchase the Chicago Company

Interests associated with the Republic Casualty Underwriters of Springfield, Ill., have purchased the Illinois Indemnity of Chicago. Following the resignation of Eugene B. Mettee, the president, the Illinois insurance department made an examination of the company. Its capital is \$200,000 and will at once be increased to \$300,000. When the new capital will have been paid in, it will have \$225,000 net surplus. Action will be taken at once so that the company will be strengthened financially immediately. The Illinois Indemnity is reinsuring the Globe Automobile Mutual of Fort Wayne, Ind., whose annual premium income amounts to \$135,000.

Started in Business Jan. 1, 1926

The Illinois Indemnity was licensed Dec. 20, 1895, and began business Jan. 1, 1926, it taking over the American Automobile Underwriters, a reciprocal that began business March 1, 1920. Its premiums last year were \$223,261. It writes full coverage automobile insurance. Its assets, according to the Jan. 1 statement, were \$378,425. Aside from Mr. Mettee, Thomas G. Wheelock was the main financial factor in the company. The officers have all resigned, the only one being retained being John W. White, assistant secretary, who is the office manager and underwriter.

Baldwin Is Made President

William M. Baldwin, president of the Republic Casualty Underwriters, becomes president of the Illinois Indemnity. J. D. DeBuchanan, president of the Mississippi Valley Life of St. Louis, becomes vice-president and treasurer. E. H. Beall, head of Beall Bros. of St. Louis, manufacturers of miners' tools, was made vice-president and Paul L. Temple, secretary of the Republic Casualty Underwriters, becomes secretary of the Illinois Indemnity. Harold H. Manning, assistant secretary of the Republic Casualty Underwriters, becomes assistant secretary of the Illinois Indemnity.

Temple to Be in Chicago

A few weeks ago it was announced that Messrs. Baldwin, Temple and their associates would organize a stock company, but in view of the fact that they have purchased the Illinois Indemnity, it will be used as the basis of their operations and strengthened financially as the business demands. Mr. Temple will spend most of his time at the head office of the Illinois Indemnity in Chicago. The Illinois Indemnity operates in Indiana, Illinois, Missouri, Iowa, Kansas, Texas and California. The Globe Automobile Mutual, which it has taken over, operates only in Indiana.

The new owners of the Illinois Indemnity are determined to make the company worth while and are giving it financial backing. The managers have had training in automobile insurance

MAKE PLANS FOR ANNUAL JOINT CASUALTY MEETING

ARRANGE NOTABLE PROGRAM

Two Associations Prepare for Big Convention to Be Held at White Sulphur Springs in October

NEW YORK, Aug. 24.—Superintendent Beha of the New York department will be one of the prominent speakers at the joint annual convention of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents, scheduled to meet at White Sulphur Springs, W. Va., Oct. 4-6. While neither organization has fully completed its business program as yet, rapid progress is being made to that end and doubtless the task will be concluded within a short time. Joint business sessions will be held on the forenoons of both the fourth and the fifth. E. A. St. John, president of the International association, presiding at the former and Charles H. Burras, chief executive of the National organization, at the latter. It is anticipated a review will be given of the compulsory automobile liability insurance situation, and a general talk upon salesmanship be made by an agent who has been unusually successful in securing business. The agents' body will hold a round table discussion at which field problems and effective means of meeting them will be generally considered.

Fine Entertainment Provided

Under the efficient direction of Chairman R. H. Thompson, the joint entertainment committee has prepared a complete program for the pleasure of delegates and members of their families. Golf enthusiasts will be able to follow the elusive white ball to their hearts content in a series of contests arranged by the joint golf committee of which H. P. Jackson is chairman.

Mr. Thompson's committee associates are: Spencer Welton, William L. Mooney, J. M. Haines, E. J. Schofield, James J. Meador, J. J. Graham, John L. Mee, L. H. Bowen, Thomas J. Graham, F. P. Stanley, John G. Yost, W. A. Edgar, John J. Flynn, W. G. Wilson, G. Arthur Howell, Dorr C. Price, Phil C. Braniff, Charles S. Ashley, Jr., William M. Byrne, T. C. Moffatt, Charles D. Greer, Wallace M. Reid, John T. Harrison, John A. Gammons, and Jesse B. Riggs. In arranging the golf schedules Chairman Jackson has had the aid of J. M. Haines, E. R. Nuttle, Glenn E. Charlton, Bennett McCluer and Hugh MacMillan.

and have built up a good organization with their own institution. Under the new management the Illinois Indemnity will become a far greater factor in the business than it has been.

Smith Heads Texas Branch

DALLAS, Aug. 24.—The International Indemnity of Los Angeles has appointed Foster Smith manager of the Texas branch office to succeed Grady W. Allen, who is joining the staff of the Automobile Underwriters of Dallas. Mr. Smith has been special agent for the International out of the San Francisco office.

EXPLAINED COVERAGE OF BLANKET BONDS

J. G. Yost of the Fidelity & Deposit Addressed Wisconsin Agents Association

TOLD OF BANKS' NEEDS

Insurance Salesmen Have Fine Opportunity to Sell Complete Protection to These Financial Institutions

John G. Yost, assistant secretary of the Fidelity & Deposit, explained in a comprehensive way to the Wisconsin Association of Insurance Agents the



J. G. YOST, Baltimore, Assistant Secretary Fidelity & Deposit

various forms of bankers' blanket bonds. He said:

While in all cities and towns there are numerous prospects for the several classes of surety bonds, such as those required of public officials, in court proceedings and in the erection of buildings and for other contract work; and while every concern manufacturing, wholesale or retail, and every organization having one or more employees or officers is a prospect for fidelity and surety bonds, it is nevertheless true that in most cities and towns the most prominent prospects, particularly for fidelity coverage, are the banks.

Development of Bank Business

I do not want to give the impression that the development of bank fidelity and burglary business is more important than other fidelity and surety lines, but since the bank does stand out in any city as the institution in that city which must, and usually does, protect itself to some extent at least with the protection offered by surety companies; and since there have developed in recent years so many forms of that protection which

collectively will give the bank complete coverage of practically all the hazards to which it is subject, I am going to confine my remarks largely to that class of bonds.

In addition to the usual individual fidelity or schedule bonds covering employees there are now available to banks and bankers, trust companies, safe deposit and title companies, bond investment companies, mortgage companies, stock brokers and building and loan associations, one or more of the following forms of blanket, forgery and other coverages.

Describes the Different Forms

Bankers' Blanket Form No. 1 covers loss occasioned by robbery, larceny, burglary, theft, inside and outside holdup and destruction in addition to the usual fidelity hazard.

Form No. 2 covers substantially the same as Form 1 with the exception of misplacement. Misplacement, however, may be added to this form for an additional premium. It might be well, here, to call your attention to the fact that while blanket bond forms generally are written only for a minimum of \$25,000 and multiples thereof, Form No. 2 may be written in smaller amounts where it is desired by banks having less than twenty-five employees.

Form No. 3 was originally designed to cover securities left for safekeeping when forms 1 and 2 did not include such coverage unless banks were legally liable as custodians of such securities.

Form 3 Has Been Modified

When Forms 1 and 2 were so modified that they covered loss to the bank of the property mentioned in the bond, whether the bank was legally liable or not, this blanket bond form No. 3 for a while became obsolete. Very recently, however, Form No. 3 has been modified so as to cover dishonesty, robbery, burglary, larceny, theft, holdup or destruction to property held by the bank as bailee, trustee, custodian, agent or in any other capacity, excluding, however, its own property and securities held as collateral. The recent revival of this form has been made to enable the banks to secure extra coverage over that which they carry in their bankers' blanket bonds, for a large amount of securities of customers which they may hold in the capacity covered by the bond.

Forms for Federal Reserve Banks

Form No. 4 was adopted for the use of federal reserve banks covering securities deposited by member banks for safekeeping only. This bond was written only in favor of federal reserve banks. Its use has been discontinued for a reason I will state later.

Form No. 4A was for banks which deposited securities with federal reserve banks for safekeeping. The bond was written in favor of the depositing bank covering its own particular securities deposited with the federal reserve bank. That form has also been discontinued. In the place of these two forms, however, this coverage is now available through form No. 4B. Form No. 4B was originally issued to any bank having securities on deposit for safekeeping with any other bank, not a federal reserve bank. Form No. 4B, therefore, supersedes Forms 4 and 4A, it being now designed to take care of the conditions under which Forms 4 and 4A and 4B were previously written.

Covers Securities for Bookkeeping

Form No. 4B is written in favor of an insured bank covering securities whether or not owned by the insured and if not owned by the insured, whether or not it be legally liable for them, covering these securities while deposited in a depository bank specifically named in the bond as the depository and whether the securities be deposited with a depository as bailee, trustee, custodian, agent or in any other capacity. However, it does not mean securities held by the depository as collateral. This bond formerly covered securities for safekeeping only.

A recent addition to the blanket forms is No. 4C, which is issued in favor of

PRODUCERS MUST SET OWN PAYMENT RATES

MONK SILENT ON COMMISSIONS

Massachusetts Commissioner Refrains from Telling Agents, Brokers What Auto Business Should Pay Them

At a hearing given Massachusetts insurance brokers last week by Commissioner Wesley E. Monk on the question of their commissions as a factor in acquisition costs under the compulsory automobile liability act, the commissioner said he had no intention of stating what percentage should be allowed the agent or broker for his work. He expects that the agents, after allowing a percentage for acquisition cost, will make their own agreement with the companies on the rate of commission they are to receive. The commissioner gave it as his opinion that there are too many brokers, agents and companies. He said the business is spread too thin to admit of a fair return for their effort to all those in the business. He implied that the five months' experience under the act, which has been analyzed, is not sufficient as a basis for final conclusions on rates of remuneration.

Harry A. Stevens, president and general manager of the Insurance Brokers Association of Massachusetts, was spokesman for that organization at the meeting. A number of other brokers appeared without association identification and spoke for themselves.

a bank for the account of a named depositor, and covers loss through dishonesty, robbery, larceny, burglary, theft, holdup or destruction of securities belonging to such depositor and held by the insured bank as bailee, trustee, custodian, agent or in any other capacity. This form excludes loss of securities held by the insured bank as collateral.

I want again to call your special attention to the fact that Form No. 3 which I recently described, and Forms 4B and 4C are the three forms which you now have to offer banks at an attractive rate, to cover the hazards involved in the handling by these banks of securities belonging to others. Misplacement may be added to the last mentioned form for an additional premium.

Form No. 5 is blanket bond for mutual savings banks. The term "mutual savings banks" includes not only strictly mutual savings banks, but all banks doing purely a savings bank business, and which carry no checking accounts. This form covers substantially the same as the other banks, but includes forgery of any of the property covered under the bond, the word "property" being defined in the bond. It covers only in excess of the amounts recoverable under other bonds or policies.

Form No. 6 is the usual blanket coverage, but was prepared especially for Federal Reserve Banks and there are therefore but twelve of them in force.

Form No. 7 is a blanket bond similar to Form 1, but includes forgery. It has now been superseded by Form No. 8, and is no longer written.

Forgery Is Covered

Form No. 8 is the broadest form of bankers' blanket bond including forgery coverage in addition to that supplied by Form No. 1. The forgery coverage in this bond is confined, however, to checks.

Form No. 10 is used exclusively for federal loan and banks, federal intermediate credit banks, and national farm loan associations.

Form No. 11 is for private banks and stock brokers. It is similar to standard Form 1 for incorporated banks with the elimination and addition of certain clauses designed to meet conditions peculiar to the operation of stock brokerage or private banking houses.

Form No. 12 is for private bankers and

LOSS CLAIMS ARE PUT AHEAD OF PREMIUMS

RULE OF INTEGRITY MUTUAL

Receiver Buck Sends Out Letter on Handling of Claims—No Offset Allowed

Return premiums take second place, with losses first, in the payment of claims against the Integrity Mutual Casualty, according to a notice sent out by Receiver Clarence Buck. The receiver refers to an order to that effect by the United States court.

Loss claimants apparently have been very informal in filing their claims and the necessary procedure is pointed out by the receiver. The receiver takes the ground that losses cannot be offset against premiums due the company, but the premiums must be paid and the claims filed. His letter is as follows:

All claimants whose claims have been contested will be given a hearing before Master in Chancery Peden and will receive a written notice in advance of the hearing, which notice will state the day and hour reserved for the consideration of their claims.

Claims Not Properly Filed

Many of the claims filed are for reimbursement for moneys paid to injured employees, doctors and hospitals and yet the proof of claim is not supported by receipted bills, vouchers or releases. Still other claims allege lump sum settlements have been effected and yet certified copies of state industrial board authorizations and employees' final receipts and releases are not attached. All original receipts, vouchers, industrial board authorizations and employees' releases should immediately be sent to the receiver.

In many instances the full amount of awards and agreements have been filed for, whereas only a portion of the amount due injured employees or beneficiaries has been paid by claimants. The receiver's objection to such claims is made solely to preserve his rights until such time as the court determines the procedure to be followed in the liquidation of such claims. A test case is now before Master in Chancery Peden to determine whether such claims should be allowed for the actual sum paid out or, in addition thereto, an amount to include liability for payments not due.

Unearned Premiums Deferred Claims

The court has ruled that unearned premium claims should be disallowed until loss claims are paid in full. Inasmuch as there are insufficient assets in the estate to pay loss claims in full, all claims for unearned premium have been objected to.

The receiver takes the position that all premiums due the estate must be paid in full before claims will be allowed. The estate is due the full year's premium on all automobile, plate glass, burglary and robbery policies and all bankers' blanket, fidelity and surety bonds in force as of May 29, 1926. The receiver also takes the position that all compensation and public liability policies in force as of May 29 must be adjusted to the next adjustment date and premiums thereon must be paid in full before claims will be allowed.

stock brokers and is similar to Form 2, but does not include misplacement. Misplacement may be added for an additional premium in the same manner as may be done with Form 2.

Form No. 13 is a narrow form for stock brokers and private bankers, the fidelity coverage, however, being confined to acts of larceny and embezzlement. It does not include misplacement or destruction, but may be broadened by certain riders.

New York Stock Exchange Forms

Standard Forms 14 and 15 are New York Stock Exchange forms and can be sold only to stock and bond brokers. They are not available to private bankers. Form No. 14 requires an annual audit at least one year prior to its ex-

(CONTINUED ON PAGE 47)

PLAN CUT IN CAPITAL AND RAISE IN SURPLUS

STOCKHOLDERS WILL MEET

Southern Surety Contemplates Move to Give Companies Combined Figure Totalling Almost \$3,000,000

DES MOINES, Aug. 24.—The Southern Surety has submitted to its stockholders a plan which is designed to give the company a combined capital and surplus of nearly \$3,000,000. The recommendation of the executive committee of the casualty concern calls for a reduction of the capital from \$1,500,000 to \$1,200,000, but provides for a boost in surplus from \$500,000 to approximately \$1,550,000. A meeting of stockholders has been called for Aug. 27 at Des Moines to consider the proposal.

Steps to Be Taken

The plan, as outlined to stockholders, embraces the following steps: Reduction of the value of the 15,000 shares of capital stock outstanding, from \$100 a share to \$10 a share; issuance of 90,000 shares at par value of \$10 a share, giving each stockholder 6 shares of new stock for each share of the old. In this manner the capital stock would be reduced from \$1,500,000 to \$900,000, and \$600,000 would be transferred to surplus. This would give the company a surplus of approximately \$1,100,000. The next step would be to increase the capital stock from 90,000 to 120,000 shares at \$10 par value, the additional 30,000 shares to be offered to the stockholders at \$30 a share. A syndicate of investment bankers headed by Caldwell & Co. of Nashville, Tenn., has agreed to underwrite the entire issue of 30,000 shares at \$30 a share, or to take any part of the issues not taken by the old stockholders. This is to be taken up and paid for on or before Sept. 30 of this year. As a result of this financing the Southern Surety Company would add \$300,000 to its capital of \$900,000, and the balance would go to the surplus fund.

GARY SAW THE DANGER IN PERSONAL SURETY

Surety men are highly elated over the advice to the beneficiaries in the will of the late Judge E. H. Gary, chairman of the board of the United States Steel Corporation. Among other bits of advice he said, "I earnestly request my wife and my children and descendants that they steadfastly decline to sign any bonds or obligations of any kind as surety for any other person or persons." Surety men feel that, coming from so great an authority and hard-headed business man as Judge Gary, this is a significant exposure of the danger of personal surety. Judge Gary during his business life was able to see the dire results of becoming surety for others.

American Surety Appointments

NEW YORK, Aug. 24.—The American Surety announces the appointment of F. W. Bull and F. A. O'Connell as manager and assistant manager, respectively, of the company's contract bond department, which will continue under the general supervision of Vice-President Richard Deming. Appointment is also announced of W. T. Andrews as manager of the depository department, which will continue to be directed by Vice-President William M. Tomlins, Jr.

Reed Is Underwriting Head

A. J. Reed has been appointed manager of the underwriting department of the new Glens Falls Indemnity. He is connected with the Hartford Accident. He went to that company from the American Indemnity of Montpelier, Vt. For a time he was superintendent of the metropolitan office of the Hartford Accident in New York City.

FIELD CONDITIONS ARE BETTER THAN FORMERLY

Acquisition Cost Conference Has Done Some Good Work, Company Officials Say

WANING INTEREST HURTS

Principal Cause of Violations Is That Regulatory Detail Is Given to Subordinates for Handling

NEW YORK, Aug. 24.—Conceding that the casualty acquisition cost conference during the five years that have elapsed since its launching has not accomplished all that was anticipated of it and that justifiable complaint is heard concerning rule violations, notably at Chicago, Detroit and Boston, company executives yet maintain that general field conditions are immeasurably superior today to what they were prior to the creation of the organization, and that it has fully justified its existence.

Casualty company executives do not differ materially from the ordinary run of mortals. They possess the strong and the weak points of the average business man. Reform movements in underwriting circles are usually taken up with enthusiasm and for a time are carried forward effectively. After a while interest begins to flag and regulatory work is left largely to subordinates, usually lacking sufficient authority to make their orders effective, with the inevitable result of a letting down of the bars. Too often the complaints of agents as to violations are based merely on suspicion but, repeated often enough, they carry a conviction to the company minds and authority is given by the latter to their representatives to meet the competition complained of on even terms or to "go it one better."

Need Was Genuine

There was real need for an expense reduction program in the casualty field when the agreement was formulated by the casualty interests in 1922, and an honest effort was made to make the ambitious program effective. Largely because of the energy of W. L. Mooney, vice-president of the Aetna, who was selected as chairman of the National Agency Committee, the new regulations were enforced. Members of the committee, as well as the general manager and the secretary of the National Bureau of Casualty and Surety Underwriters visiting different sections of the country, explained the purpose and the plans of the new agreement and secured assent thereto from general and district representatives.

Complaints of rule violations were promptly investigated, and when found to be based on fact and not mere hearsay, were ordered corrected. When agents refused to fall into line, the company executives were interviewed in the matter and their cooperation secured. It was a case of constant and intelligent pounding, but in the large majority of instances reforms were brought about. With the passing of time and a change in the personnel of the governing committee there has been a slacking of effort of late, though not to anything like the extent asserted in some quarters.

Chicago and Detroit have ever been difficult centers to deal with, mainly because of the plate glass business, which though the smallest of the divisions of casualty underwriting has yet been provocative of seemingly endless difficulties. Boston has never been fully in line and is not so today. Whether it will be brought into harmony later remains to be seen.

A recent irritating incident was the

APPROVAL OF NEW RATES FOR NEW YORK POSTPONED

BEHA INVESTIGATING BASIS

Compensation Schedule Cannot Be Ready by Oct. 1—Eventual Action Will Be Important

NEW YORK, Aug. 24.—Requiring further time to study the revised compensation schedule recently submitted the New York department, Superintendent J. A. Beha has advised that it will be impossible for him to reach a conclusion in the matter in time to make the tariffs effective Oct. 1, as was proposed by the carriers; in consequence the Compensation Inspection Rating Board has notified all companies to suspend action with respect to the proposed rate changes until further advised.

Action Is Important

Whatever action the New York department may take will be of the utmost importance not alone with respect to business in this state, but of that of other states as well, for in the preparation of the New York figures a new base structure was devised, predicated upon the results shown in an extended analysis of the experience of the carriers for a three years' completed period. Having failed to get from the National Council on Compensation Insurance approval of its new method of compensation rating, some months ago, which plan, briefly, embraced an advance in minimum rated risks, a policy writing fee upon all risks regardless of their size and a reduction in the expense loading, the stock companies have been recasting their plan.

New Basis Used

The present method, it is understood, advances the charge for minimum rated risks, which have been productive of very heavy losses in the past; waiving the policy fee idea and a more critical study of experience rating for the larger risks. Instead of submitting the new plan to the National Council it was first offered to the New York department, a change in the compensation law of this state operative Oct. 1, inducing such course. Because of the new basic factors incorporated in the rate revision the New York department desires to study the whole program very carefully, hence Superintendent Beha's request for additional time, stating that he would be unable to "approve or disapprove the proposed revision" before the date fixed upon for its application.

When the National Council on Compensation Insurance turned down the proposed plan to increase rates on minimum rated risks, the companies started to suggest to the insurance department of New York, that it take action along this line. When the matter came up in the compensation inspection rating board, the state fund represented on the committee joined with the mutuals in defeating the measure by one vote. Then a brief was filed with Superintendent Beha hoping that he might take some action favorable toward this increase. Seemingly therefore he has decided not to take any action.

increasing of commissions on automobile collision and property damage lines to 25 percent on the Pacific Coast, to meet like action taken by the fire companies. Just now the agents in Massachusetts are seeking 20 percent commission on compulsory automobile business, in place of the 17.1 percent allowed them by the companies and sanctioned by the commissioner. Whether the increase can be allowed through the medium of a re-allocation of the expense loading of the premium is a question managers are considering and will formally pass on at a meeting soon to be held.

There is not the slightest possibility that the casualty acquisition cost agree-

FOUND COMPETITION BIG FACTOR IN BUS LOSSES

OVERCOME BY COOPERATION

Experience of Lines Operating in Cincinnati Cited to Show Hazards Encountered

CINCINNATI, O., Aug. 24.—The history of motor bus insurance problems in Cincinnati is typical of what the companies have encountered in many cities and is typical also of what may be done by better regulation and intensive safety efforts. First, there was a period of more or less irresponsible ownership to contend with. Gradually the independents were forced out and then there were only two principal operating companies in Cincinnati running about 110 busses. These two companies were fighting, both for business and for drivers, with the result that neither company had a force of men who remained with the company long enough to be imbued with any spirit of company loyalty. This condition of affairs resulted in many insurance losses.

Drivers and companies in fighting for business would arrange to send two busses, one just ahead and one just following a competitor's bus to "pocket" it. The result of the fierce competition was reckless driving, little observance of schedules and no attempt to establish good drivers' records.

Regulation Found Necessary

Regulation of busses by the city has done much to eliminate irregular schedules and to keep the companies operating on a sane basis. The placing of traffic lights at the downtown intersections has eliminated intersection accidents in the congested district and has cut down the total number of accidents by one-third. As the companies have begun to operate more harmoniously, they have kept their own drivers with the result that they are building up a real morale among the drivers. Prizes are offered for safe driving, the driver who goes without an accident for one year receiving a gold badge with minor prizes for three and six months' accident-less periods. Another city ordinance provides that for three violations of the reckless driving ordinance of the city, a driver's license must be suspended for one year and another part of the ordinance outlines a system of demerits with a provision that 15 demerits will result in automatically putting the driver out.

Developed Safety Work

In addition to the work of the city, the insurance companies themselves have done much to encourage safe driving and the net result has been that one company which carries an average of at least 250,000 passengers a month has now maintained its operation with only one minor injury in the last three years. The liability losses have been cut down so that while the property damage has been heavy, the liability rates have recouped the losses from property damage. Were it not for the catastrophe hazard, it would appear that the liability rates might be reduced. Thus Cincinnati has passed from a city where the companies were rejecting the motor bus business to one where it is considered profitable. Bringing about this result has meant cooperation among the bus companies, the municipality, the drivers and the insurance companies.

ment will be abandoned, even though certain state commissioners formerly ardent champions of its provisions are now only lukewarm in their approval. What is likely to happen is a bolstering up of the organization and the placing at its head of a man of iron will who will have the support of the member companies in insisting that the regulations mean exactly what they say, and who will brook no deviation therefrom.

AGENT SHOULD MASTER HIS OWN BUSINESS

F. P. Stanley of Norwich Union Indemnity Addresses Wisconsin Association

DO TOO MUCH PEDDLING

Casualty Salesmen Need to Know More About What Their Coverage Will Do for Assured

F. P. Stanley of New York City, vice-president of the Norwich Union Indemnity, addressed the Wisconsin Association of Insurance Agents at its annual meeting in Milwaukee last week. He called attention to the fact that casualty and surety premiums are increasing



F. P. STANLEY

Vice-President Norwich Union Indemnity

every year, thus testifying to the enormous growth and opportunity in these lines. He said that if it were possible to ascertain the number of people owning automobiles who are not insured the list would be appalling. Agents therefore have a great field for soliciting automobile insurance.

Mr. Stanley declared there is too much peddling and too little salesmanship in the casualty and surety lines. He said that the average agent does not devote as much time to studying the casualty and surety business as he should. An assured appreciates a master in his business. If he finds that an agent knows what he is talking about, the prospect at once will give attention. Mr. Stanley predicted that the casualty and surety business would grow far more rapidly than the fire business. He said that the organization of new casualty companies will continue. The fire insurance groups, he said, must have a casualty running mate to make real progress. Every local agent who is active and rendering service must have a casualty company. He cannot confine his attention to fire insurance and its allied lines alone.

Agent Must Know His Business

Mr. Stanley said that an agent must know his business thoroughly in order to meet mutual and reciprocal competition. He should study his manual and policy contracts in order to be able to prescribe for the needs of customers. As Mr. Stanley put it, an agent must know more of his own business and know more about his prospects.

Speaking further he said: "Get at the

actual requirements of the man that you are soliciting. Think of his business in terms of your facilities to meet his demands. One of the most difficult problems confronting a home office, general agent or a field man is to deal with agents who have become self-satisfied. They live on their renewals. They are not anxious to increase their business. They are satisfied with what they have done. It is a difficult problem to keep an agent going out to produce business.

"Very often an agent will write in where he has lost a line, claiming that some other agent has cut the rate. We get all the information we can from him including the name of the company. We take it up with the company and find that no rate has been cut, but the business has been written in a legitimate way. The other agent knew his business better than our agent. We find that in nine cases out of 10, in complaints of this kind, the agent losing the business did not know his manual. The competing agent was thoroughly awake to the opportunity to save his customer money.

Salesmanship Should Be Studied

"An agent should study salesmanship. He should know at least what the fundamentals are and should apply them to his insurance work. Every agent should be able to create interest so that the prospect will want to buy. He will see how the agent's policy will meet some demands. I advise every agent to review his selling interviews, find out why he failed, if he did, and strengthen the weak spots. Don't be afraid of approaching a prospect. If an agent stands in awe of a prospect, if he thinks the prospect is so much bigger and more important than he is, he is defeated before he starts for the business. If an agent must progress he must learn more about his own business."

The San Francisco offices of the Fidelity & Deposit will soon be moved from the present location to new quarters in the Financial Center building.

PERSONAL GLIMPSES OF CASUALTY MEN

Arthur W. Collins of Chicago, United States manager of the Zurich, sailed from New York Wednesday night for a brief trip abroad. Mrs. Collins is traveling on the other side and will accompany Mr. Collins home. He will spend a few days at the head office in Switzerland and will sail for home Sept. 10.

George M. Weichelt of Chicago, general attorney for the central department of the National Surety, has been appointed instructor in insurance law in the law course of Northwestern University. Mr. Weichelt is one of the authorities on insurance law in the west. He has done much to promote the study of insurance law in Chicago law schools. Mr. Weichelt has specialized largely on surety claims and has made a name for himself in that direction.

T. M. Nial, who recently resigned the assistant secretaryship of the National Bureau of Casualty & Surety Underwriters, is taking a short vacation before assuming his new connection with the New York City branch office of the Hartford Accident & Indemnity on Sept. 6.

In selecting **G. E. Morrissey** as superintendent of agencies for the Norwich Union Indemnity, H. P. Jackson, president of the company, gave further evidence of his willingness to break away from traditions of the business, for Mr. Morrissey, though a proven success in other lines of commercial endeavor, is a complete stranger to casualty underwriting. Despite this fact Mr. Jackson is convinced that a man of clear brain, pleasing personality and plenty of energy, all of which attributes Mr.



G. E. MORRISSEY
Superintendent of Agents, Norwich Union Indemnity

Morrissey possesses, will make headway in any business and particularly so in casualty field work, where salesmanship is a prime requisite. The progress of the Norwich Union Indemnity under Mr. Jackson's administration evidences his worth as an executive, hence the fraternity may feel assured that in selecting Mr. Morrissey as one of his important aids the former has made no mistake.

Leon S. Senior, manager of the Compensation Inspection Rating Board of New York state, has so far recovered from the major operation he was forced

to undergo a short time since, as to permit his removal from the hospital to his home. Casualty underwriters are gratified at the news and are hopeful that Mr. Senior's condition will continue to show such improvement as to permit his return to his office within a short time.

Mr. and Mrs. **Floyd M. Smith** of Omaha, Neb., have announced the engagement of their daughter, Miss Eleanor, to **Nathan Mobley** of Chicago, western executive representative of the Fidelity & Deposit. Mr. Mobley is the son of Mr. and Mrs. John W. Mobley of Charlotte, N. C. He was formerly associated with the branch office of the Fidelity & Deposit there, then went into the field and was sent to the west to travel in big territory. He is a well known surety man who has had a fine training in the business. Miss Smith is one of the charming young women of Omaha, having graduated from St. Timothy's school at Caronsville, Md. She belongs to one of the oldest families of the city. Mr. Mobley is a graduate of the University of North Carolina. The marriage will probably take place in the late winter.

When **L. A. Sawyer**, manager of the burglary department of the National Bureau of Casualty & Surety Underwriters, advised that he was leaving on his customary vacation several days ago, he neglected to inform other than his intimates, that it would be a honeymoon as well. Mr. Sawyer is an unusually capable executive and should prove a model husband.

Commercial Casualty Appointment

RICHMOND, VA., Aug. 24—Cosby & Maddox of Lynchburg, Va., have been appointed general agents for the Commercial Casualty of Newark in that territory. They will report to the home office, but will be serviced through the recently established branch office of that company at Richmond, which has supervision over Virginia and North Carolina.

WHO MADE POSSIBLE

the use of the present forms of
BANKERS' BLANKET BOND
and **BROKERS' BLANKET BOND**
which have been of such great value
to the

— Banking World —

— Stock Exchange Firms —

and to

INSURANCE BROKERS?

THE

NATIONAL SURETY COMPANY

115 Broadway, New York

WORLD'S LARGEST SURETY COMPANY

Big Or Little

WE like to execute bonds and policies that carry big premiums, of course. But we like the little fellows just as much.

F & D service is not measured by the size of its premiums. The Company is just as mindful of the interests of its small agents and their clients, as it is of its larger and more impressive representatives and patrons.

BIG or little, a client is a client and an agent an agent, so far as the F & D is concerned, and all who do business with the Company are entitled to every aid and comfort within its power to bestow.

FIDELITY AND DEPOSIT COMPANY

of Maryland
BALTIMORE

FIDELITY and SURETY BONDS and BURGLARY INSURANCE

"Specialization Means Service"

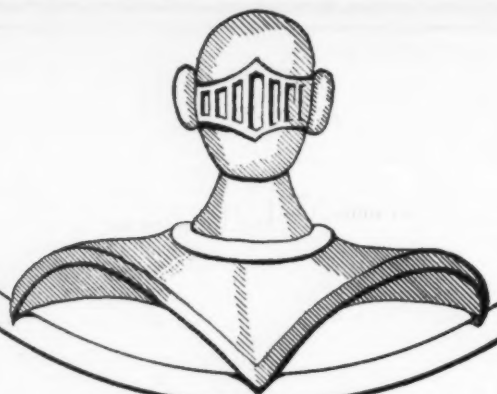
NU 8-25

PRODUCTION DEPARTMENT
FIDELITY & DEPOSIT COMPANY
Baltimore, Md.

If you are not already adequately represented in this territory I will be glad to have full information regarding an agency connection with your company.

(Signed)

Address



While They're Fishing!

Sounds harmless enough—Fishing. But it may needlessly cost your client hundreds of dollars and you his insurance business!

For when your client is away a second story man may be fishing in your assured's home.

Of course if you represent the Southern Surety you have the ways and means of preventing all this.

Burglary insurance will enable your client to go fishing (and vacationing) without you having to worry about losing his business or he bearing a loss that for a few dollars the Southern Surety would gladly have borne for him.



SOUTHERN SURETY COMPANY

HOME OFFICE
DES MOINES, IOWA

C. S. COBB, President

WORKMEN'S COMPENSATION

ILLINOIS RATES ARE RAISED

Several New Classes of Labor Admitted
—Increase on All Lines Averages
2 Percent

New compensation rates, averaging 2 percent higher than the old rates, will go into effect in Illinois, Sept. 1. The rates have been approved by the department of trade and commerce. As a result of changes in the state compensation law which became effective July 1, several new classifications of labor have been admitted, and payment to beneficiaries of workmen who die of injuries has been increased.

This year's increase is the first that has been made in about two years. The last increase was 6.1 percent.

Minimum Payment Raised

The minimum payment has been raised from \$2,000 to \$2,150, where there is in a family one child under age 16. Where there are two children, the minimum has been raised from \$2,100 to \$2,250, and for three or more children the minimum has been set at \$2,350. In cases in which four times the average annual earnings of the employee is between \$1,650 and \$3,750, an additional payment of \$350 has been provided for one child under 16 and \$450 if there are two or more children.

The maximum payment for one child has been raised from \$4,100 to \$4,200; for two children from \$4,350 to \$4,450 and for three or more children, the maximum is \$4,550. A number of specific loss payments have been increased. A provision requiring that \$300 be paid to the state treasurer in case of the death of an employee who has no dependents also has been added.

Speculate on Mine Business

NEW YORK, Aug. 24.—Casualty underwriters continue to speculate regarding coal mine business, the assumption being that operators in growing number are being forced to become self-insurers. Records of the industry disclose that while there has been a marked increase in the output of coal of late and a material gain in the payroll of the mining companies, the compensation premiums upon the business are substantially less than they were sometime ago, reflecting the growing indisposition of the carriers to grant the coverage. Holding that before taking final action regarding the rate increase upon small coal mining risks in Kentucky notice thereof should be given the operators, the state board has reserved decision in the matter until its meeting in Sept. 6.

Hold Joint Picnic

MILWAUKEE, Aug. 24.—A community picnic was held by the Wisconsin Compensation Rating & Inspection Bureau office employees, with the employees of the Wisconsin Mutual Liability here, and some of the members of the bureau last Friday. Among the companies represented were the Travelers, Employers Mutual Liability, Aetna, Fidelity & Casualty, Norwich Union Indemnity and Chris Schroeder & Son Co.

Enters Compensation Field

SAN FRANCISCO, Aug. 24.—Arrangements have been completed by Associate Manager Thomas Scadden of the Massachusetts Bonding for the company's entrance into the compensation field in California about Sept. 1. Mr. Scadden recently joined the company's coast office when it decided to enter all casualty lines in this territory. Heretofore the Massachusetts has practically confined its operations in California to fidelity, surety and auto liability business. Mr. Scadden was formerly casualty manager for Landis & Brickell in San Francisco, general agents for the London Guarantee & Accident. Prior to joining this firm he was for more than ten years with the United States Fidelity & Guaranty.

AWAIT APPROVAL BY STATES

New Compensation Schedules Pending
in Maine and New Hampshire—
New Hearing in Kansas

NEW YORK, Aug. 24.—Providing the required approval be had meantime from the insurance commissioners of Maine and of New Hampshire, the revised compensation rates recently filed in the two states by the National Council on Compensation Insurance will become effective as of Oct. 1 next. While the new schedules result in a reclassification of certain risks in Maine, there will be no change in the general rate level. In New Hampshire, however, because of a new provision in the law governing medical fees and as a result of the advancing loss cost generally, the revised figures call for an average rate increase of about 9 percent over those now in force.

Superintendent W. R. Baker, of Kansas, has consented to a rehearing of the application of the National Council for a rate advance in that state, and has fixed upon Sept. 5 as the date upon which the matter will be argued.

Satisfactory Progress Made

NEW YORK, Aug. 24.—Satisfactory progress is being made by the National Council on Compensation Insurance in the compilation of the experience data for the country covering the policy in years from 1920 to 1924, both inclusive. The expectation is that the work will be completed some time in October. If the anticipated result be attained the tabulation will be issued two months earlier than has been the rule of previous years.

Expect Increase in California

SAN FRANCISCO, Aug. 24.—When the final figures covering compensation insurance in California are totaled at the end of this year quite an increase should be shown as a result of recently enacted laws. The Federal longshoremen's and harbor workers' compensation act will, of course, account for much of this increase, affecting, as it does, approximately 20,000 employees in this territory, but the amendment to the California workmen's compensation act affecting the status of agricultural employees is certain also to bring a noticeable addition to this class of business. This amendment becomes effective Sept. 1. While it does not compel the carrying of compensation insurance by farmers it at least requires some action on their part if only to reject compensation and it is believed that the requirement of action of any sort on their part is a long step toward bringing farmers under the provisions of the state compensation act the same as other industries.

Takes Over Stamping Office

MILWAUKEE, WIS., Aug. 24.—The stamping office for Wisconsin will be taken over by the Wisconsin Compensation Rating & Inspection Bureau Sept. 1. At the last meeting of the rating committee of the bureau rules for procedure were recommended, covering the issuance of policies, endorsements, binders and other documentary evidences of coverage and also cancellations.

The rating committee also discussed the subject of certain risks which are unable to obtain coverage and it was pointed out that the situation is not showing any signs of improvement. It was suggested that the situation might be largely overcome if the communications received by the Industrial Commission could be made available for the use of the rating committee and the general manager was instructed to communicate with the secretary of the Compensation Insurance Board with the view of ascertaining if arrangements can be made for communications respecting difficulties being encountered in obtaining coverage as they are being received by the Industrial Commission to be made available for examination by the committee.

WITH BURGLARY UNDERWRITERS

BURGLARY SITUATION BETTER

St. Louis Experience Shows Notable Improvement So Far This Year As Compared With Last

ST. LOUIS, Aug. 24.—Marked improvement in the hold-up, payroll robbery and house burglary situation in St. Louis, Mo., has been shown in the first eight months of 1927, compared with the same period in 1926. The number of such crimes are fewer than a year ago, while the aggregate loss is also much below the 1926 totals. There are several reasons for the improved conditions in St. Louis. Perhaps the most important cause is that more and more firms are paying their workers with checks instead of cash. With the consent of the officers of various union organizations this protection has been accorded more additional employers since the close of 1926.

Another factor in reducing payroll holdups is the wider use of armored trucks for the transportation of cash required for payrolls. The average gangster that specializes in payrolls is a coward at heart and few if any of them are willing to take a chance of being shot while attempting a robbery. The fact that no attempt has been made as yet to "stick up" an armored truck in St. Louis and vicinity indicates clearly the true courage of the average hold-up man.

The police also report an improvement in the store hold-up situation, although the showing in that respect is not quite on a par with the betterment made in the payroll hold-up situation. In recent weeks the police have picked up several youths that specialized in store hold-ups. As a rule, such rob-

beries are the work of a small gang and two or three arrests very often curb such offenses to a marked degree.

In the burglary field there is a very big factor that has brought about a reduction in the aggregate losses from mercantile establishments that have been burglarized. That particular item is the fact that the United States officials that have to do with bankruptcy cases are becoming more hard-boiled in dealing with bankrupts, and it is not so easy today to cover up the hiding of assets of bankrupt estates through the reporting of a robbery a few days before the bankruptcy act is taken advantage of. The business depression now manifest has cut down markedly the number of city families that have gone on protracted vacations, thus reducing a very fertile field of operations for burglars. For years and years second story men and duplicate key experts have watched the society news columns of the daily press to spot out prospects for a first-class burglary clean up.

BROKER CAN'T REVIVE POLICY

Cancellation for Non-payment of Premium Effective Though Judgment Was Tendered

Payment of premium on burglary policy to brokers not authorized to issue policies after cancellation by insurance company held not to revive policy. In *Mord vs. Hartford Accident*, court of appeals of New York, 157 N. E. 138, the company issued a burglary policy for \$10,000. It was delivered by Sondheim & Son, who were insurance brokers but not authorized to accept risks or issue policies for the company.

The insured failed to pay the premium

for about three months after the policy was issued, and the company thereupon cancelled the policy to take effect June 16. With this order of cancellation the insurance company demanded the payment of the earned premium amounting to \$38.53. When notice of cancellation was received by the insured the latter proceeded to pay the brokers the full premium of \$112.50. This payment to the brokers was accepted by them June 16, and a loss of \$6,000 was suffered by burglary June 19.

Claimed Policy Cancelled

On this state of facts the company denied liability on the ground that the policy had been cancelled. The insured took the position that the payment of the premium in full to the brokers on June 16 revived the policy. The trial court found in favor of the insured. On appeal the higher court in reviewing the record, and in reversing this judgment, said:

"We cannot agree with the conclusion of law that the payment to the brokers on June 16 nullified the notice of cancellation and restored the policy to full force and effect. Such a conclusion cannot flow from the finding of fact that the brokers were at no time authorized to issue policies. Sondheim & Son were nothing more than brokers.

"The finding of fact to the effect that these brokers were at no time authorized to issue or countersign policies of insurance for or on behalf of defendant, or to accept or bind insurance risks on their own behalf or on behalf of the defendant in any form or manner whatsoever is inconsistent with the finding of fact that the brokers received the \$112.50 on June 16 as agents of defendant.

Agent's Power Defined

"If they had no power to act as agents for issuing or countersigning policies, or to accept or bind insurance risks, surely they were not authorized to nullify the cancellation to show intent by the company to empower them to

issue a policy, for, if they cannot issue a new one, they cannot revive a dead one. No such evidence is in the record, and no finding is made, except the inconsistent one that they were agents. * * *

"The judgments should be reversed, and a new trial granted, with costs to abide the event."

Bank Loss in Iowa

VINTON, IA., Aug. 24.—Five unmasked bandits held up the Farmers National Bank here last week and escaped with approximately \$15,000 in currency. The sheriff and a posse gave chase and all highways leading out of the town were guarded, but the bandits made their escape. There was approximately \$20,000 in cash, silver and currency in the vault, but the bandits took only the paper money, leaving the silver. They entered the front door of the bank at two o'clock in the afternoon and staged the holdup with customers in the bank in addition to the officers and employees. A burglary policy was carried by the bank in the Travelers, having been written by the Marietta & Bickel agency.

To Join Moore Bureau

The Glens Falls Indemnity is arranging to join the W. F. Moore Plate Glass Rating Bureau for its plate glass insurance rate service.

Casualty Club's Plan

The Casualty Field Club of Chicago has made plans for the opening of the meeting season. Freeman C. Read of R. W. Hosmer & Co., is president. The first meeting will be held Sept. 12. The executive committee includes the officers, Ralph Miller and W. J. Patterson, vice-presidents; P. E. Chunn, secretary-treasurer and E. E. Sanderson, Joseph Folker, L. W. Burger, E. O. Wagoner and C. H. Smith. Mr. Sanderson is chairman. Ralph Miller of Conkling, Price & Webb is chairman of the entertainment committee; E. E. Sanderson and D. C. Price being the other members. J. C. Bradley of the Zurich is chairman of the publicity committee. H. G. McGargal, Jr., is chairman of the membership committee.

WILLIAM M. BALDWIN
President

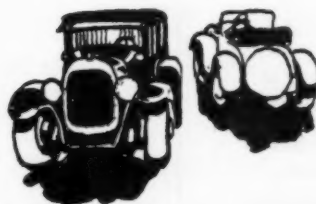
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In 1887, about the time liability insurance was first sold here, policies carried limits of \$5,000/10,000. That was forty years ago.

In 1927, now, we are confronted with the record of verdicts greatly exceeding the limits of forty years ago, while the dictionary description of insurance, "making oneself safe against something" stands as an accusation against those by whom insurance is provided.

The minimum or basic limits sold by this Company are \$7,500/15,000 for personal injuries and \$1,500 for property damage.

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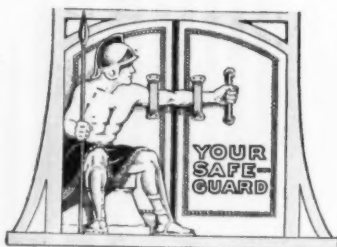
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ACCIDENT AND HEALTH

ASSUMES RAILROAD BRANCH

Addition of National's Business Puts
Provident to Fore in
This Field

The Provident Life & Accident of Chattanooga has taken over the railroad installment accident and health business of the National Life & Accident as of Aug. 1. The company is now distributing the necessary riders transferring the risk from the National to the Provident. The National had only been writing this class of business for a few years, but it had a substantial volume, covering employees of railroad systems in the southeast. The addition of this business to that of the Provident materially increases the latter company's premium income from this class and puts it to the fore among companies writing this class of coverage throughout the country. The growth of the Provident's own railroad department and the reinsurance last year of the railroad installment business of the Standard Accident of Detroit had combined to give the company a large total prior to this, which now makes it a ranking company among those writing railroad business. Negotiations leading to the completion of this contract with the National were handled by Harry C. Conley, manager of the railroad department.

General Counsels to Meet

The General Counsels' Association of Accident and Health Companies will hold its annual meeting at the King Edward hotel at 2:00 p. m., Sept. 14, at Toronto, Canada. This association is made up of general counsels and attorneys representing accident and health companies. Its president is Edwin A. Jones of the Fidelity & Casualty, and its secretary-treasurer, John A. Millener, Columbus, Ohio.

Notable Reports Submitted

NEW YORK, Aug. 24.—As chairman of the committee on statistics of the Bureau of Personal Accident & Health Underwriters, E. S. Fallow of the Travelers, submitted the final report covering the combined health experience under commercial policies for the policy year 1924, to the governing committee of the organization at its recent meeting in this city. The work, covering 80 printed tables, is of importance to students of health underwriting. At the same gathering George Goodwin, of the Connecticut General Life, as chairman of the standard manual and uniform classification of risks committee, reported progress in the work, while R. O. Davidson, of the Royal Indemnity, as chairman of the special committee considering the part payment accident and health coverage, submitted its final report.

Announce Entertainment Program

H. G. Royer, chairman of the entertainment committee of the Health & Accident Underwriters Conference, has announced the entertainment program for the annual meeting which is to be held in Toronto, Sept. 15-17. On Thursday afternoon, Sept. 15, there will be a golf tournament at the Lake View Country Club and also a long sight-seeing automobile trip for all who do not care to participate in the tournament. In the evening a ladies' bridge party is scheduled. On the following day the ladies are cared for in the morning by an interesting shopping tour through the T. Eaton & Company's factory and retail store. In the afternoon the schedule again calls for a golf tournament, with a bowling tournament for the non-golfers. Following this there is an afternoon tea for the ladies at the Old Mill Tea Gardens. In the evening the conference dinner will be held, with music, dancing and the award of bridge, golf and bowling prizes.

ARE SKEPTICAL OF METHODS

Company Officials Who Have Had Long
Experience with Health Insur-
ance Follow Strict Rules

Some of the accident and health company officials who made the first experiment in writing health insurance and who are sticking to methods of handling this business which they have found satisfactory are frankly skeptical of the efforts which are now being made by many companies to make their health insurance business profitable. The two principles which must be observed to make health insurance profitable, according to these men are that no full indemnity shall ever be paid for illness which is not house confining and that the amount of health insurance must be kept far below the income of the policyholder.

With regard to the elimination period, these officials do not believe that it will ever be possible to satisfy people by paying indemnity for three days on a ten days' illness, which they declare to be the average length of such disability. Moreover, they assert that talking a man into using the elimination period is not talking him into taking insurance but talking him out of taking insurance. The requirement of house confinement for collection of full indemnity is the keystone of success in handling health insurance according to this group and nothing less than strict interpretation of this clause can keep the business on a sound basis. They doubt that many who did not go through the initial experimental period in writing health insurance have the background to see this clearly at this time but they are confident that eventually the writing of health insurance will come back to this basis.

Home Friendly Purchases Company

Announcement of the purchase of the Delaware Casualty of Wilmington, Del., has been made by B. L. Talley of the Home Friendly of Baltimore. The Delaware Casualty was a mutual incorporated in 1924 to write life, health and casualty insurance on the weekly plan. Under the purchase arrangements the Delaware Casualty will be retired from business and the policyholders insured under the contracts of the Home Friendly which is a legal reserve company.

Maryland Casualty Stock High

BALTIMORE, Aug. 24—"I see no reason for the spectacular advance in the market price of the shares of the Maryland Casualty," replied F. Highlands Burns, president of the company, when asked if he could explain the rise of 22½ points in the quotation in a little more than a month, and 38 points since the early part of the year, reaching 136, the highest quotation it has ever recorded. The stock has been bought in big blocks. In insurance circles it is held that the strength of the issue is due to the working arrangement entered into between the Maryland Casualty and the Home of New York, whereby each agrees to co-operate in obtaining business for the other. The stock is now selling at nearly five times its par value of \$25 a share.

Extend German Credit Plan

Announcement has been made that the German system of export credit insurance, in use during the past year, will be continued until 1933. The scheme has worked fairly satisfactorily, though not in the volume originally anticipated by those launching it. It has been conducted by a committee composed of representatives of the government, of insurance companies, commerce and industry and the banks. During the year there were some 6,670 applications for insurance amounting to 92,000,000 marks, of which 2,529 were approved and 56,600,000 marks of export credit insurance were granted.

AMONG SURETY MEN

LOSSES ON BIG FELLOWS

Surety Official Comments on the Agitation for Reduction in Rate on Contract Bonds

A surety official was asked the other day whether in his opinion the reduction in contract bond rates from \$1.50 to \$1 would bring any more business. He stated that at the \$1.50 rate the premium income took care of the losses, expenses and left a margin for profit. If the premiums were decreased to \$1, the loss ratio of course would be increased, unless there was a notable increase in volume of business. He said that many contractors of good repute and well balanced financially claim that the surety companies are unjust in not giving them a differential as against the weaker and more irresponsible contractors. He stated however that the big losses that have come to surety companies were caused by failure of the so-called contractors of real stature. It is not the small fellow or the weak-kneed chap that causes the body blow. This official said that surety companies had been confronted in the past with some tremendous losses and these were due to contractors that anyone would have approved and been glad to have sponsored. He does not think that merit rating in contract bonding is practical. Efforts along this line, he said, have not shown desirable results.

General Surety Organizing

The General Surety, a stock company, is being organized in New York City under the laws of New York state to do a fidelity and surety business. The incorporators are: Abram N. Roener, George B. Skiffington, Charles P. Loefer, George W. May, Harold V. Nielsen, John A. Dilliard, Leo J. Ehrhart, Sydney McCall, Bernard Marienhoff, William W. Moyle, Francis X. Noonan and James E. O'Kane.

SURETY BOND DID NOT COVER

Case of One Employee of a Brokerage Firm Carrying an Account in Customer's Name

Surety bond covering brokerage firm for loss caused by dishonesty of employee and excluding loss caused by "trading" held not to cover loss caused by employee carrying account in customer's name. In *Harris Vs. National Surety*, supreme judicial court of Massachusetts, 155 N. E. 10, the company issued a fidelity bond covering the employees of the insured. This bond contained the following stipulation: "This bond does not cover loss directly or indirectly from trading, actual or fictitious, whether in the name of the insured or otherwise, and whether or not within the knowledge of the insured, and notwithstanding any act or omission on the part of any employee in connection therewith, or with any account recording the same."

Company Not Notified

While this bond was in force an employee carried an account in the name of a customer, one Collins, but the account was really that of the employee. The account was carried on insufficient security. This condition became known to the insured in September, 1922, but the surety company was not notified of the fact at this time. The insured, under an arrangement with the employee permitted the account to be carried until 1924.

Upon the latter date, it appears the true character of the account became known, and it resulted in a loss to the insured for a considerable sum. The insured thereupon brought action to recover, and the surety company took the position that since the loss arose from "trading" it was not liable, in view of the stipulation of the bond quoted heretofore.

The judgment of the lower court was in favor of the surety company. The insured filed exceptions and appealed.

The higher court in reviewing the record, and in overruling the insured's exceptions, said:

"Although the plaintiffs introduced evidence tending to show that the word 'trading' by custom and trade usage had a special and restricted meaning, there was other evidence to the contrary, and the court found and ruled that it is to be construed in its usual and ordinary sense. As the language of the bond is free from ambiguity, it is to be given its plain and customary meaning. * * *

Definition of "Trader"

"The word 'trader' is defined as one who is engaged in trade or commerce or one who buys and sells goods or merchandise for gain. * * * So construed it is clear that the ruling of the judge, that the word 'trading' applied to the transactions involved in the Collins account and related to the business of the plaintiffs with customers and was not limited to trading for the firm by an employee known as a 'trader' and called the 'stock and bond trader,' was correct.

"Upon the findings it is manifest that the plaintiffs are not entitled to recover for losses sustained before or after September, 1922. * * *

"As the plaintiffs are precluded from recovery for the reasons stated, it is unnecessary to consider further grounds of defense relied on by the defendant."

Fitch Named General Agent

Richard W. Fitch has been appointed general agent for the National Surety at Stamford, Conn. Mr. Fitch has been in the insurance business for more than a decade and is well known throughout southwestern Connecticut. He has been active in the Kiwanis organization, both locally and nationally.

Personal Sureties Not Liable

Judge J. J. Clark of Mason City has filed a decree holding that the personal sureties on the bond of Cerro Gordo county bank deposits are not liable for the losses caused by the closing of the City-Commercial Savings bank. The decision affects a number of bond signers in Mason City and will attract attention as a number of similar cases are now pending before Iowa district courts. The personal sureties were freed of liability on the grounds that they signed a bond on Jan. 1, 1923, which the judge held ex-

pired on Jan. 1, 1925, when the second term of Treasurer W. L. Bristol started. It was during this second term that the City-Commercial bank was closed. The decision made the Aetna Casualty & Surety, from which Mr. Bristol obtained a bond on Jan. 1, 1925, liable for the full amount of the bond of \$50,000.

Writes Large Hotel Bond

BALTIMORE, Aug. 24—William F. Lehnert, Jr., of Lehnert, Griffin & Anderson, general agents of the bonding department of the Maryland Casualty, has written a contractor's bond in the sum of \$3,000,000 protecting the Lord Baltimore Hotel Company, which is to erect a new hotel in the downtown section.

Schneider Joins Northeastern

George H. Schneider has been appointed manager of the underwriting department of the Northeastern Surety of New York. Mr. Schneider was formerly with the National Surety and more recently with the New York City office of the Commercial Casualty, resigning that connection to join the new company.

Sioux City Rates Revised

Revised fidelity bond rates have been received in Sioux City, Ia. Schedule bond rates are now available only when the aggregate liability is \$30,000 instead of \$20,000, as formerly. Rates have been changed for agents, oil companies, building and loan associations and fraternal and beneficial orders.

Walsh Joins F. & D.

M. A. Walsh has been appointed manager of the fidelity department in the New York office of the Fidelity & Deposit. Mr. Walsh has been in the business since 1909, when he started with the National Surety. He was first in the mailing and agency department, but was transferred to the fidelity department in 1913. In 1914 he became an underwriter and for the next eight years was in charge of the eastern division of the fidelity department. Except for a year in the army he was continuously with the National Surety until 1924, when he went to Detroit to take charge of the fidelity department of the Standard Accident, and also the bankers' and brokers' blanket bond, check forgery and automobile bonds. He has now resigned that position to go to New York with the Fidelity & Deposit.

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Both to agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



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IN FORTY-SEVEN STATES*

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\$200,000.00**

Agents Solicited

Some Automobile Cases Recently Decided

Where the driver of the truck on his way back to the employer's factory, made a detour in order to accommodate some lady acquaintances, though he had been ordered never to take passengers, and the accident happened while doing so, held that the master is liable, where there is no total severance in the relation of master and servant, but some deviation by the servant from the strict course of his employment. Whether the servant's act was in the scope of his employment is usually a question for the jury. Judgment reversed for error in receiving testimony. *Nord v. West Michigan Flooring Co. Sup. Ct. Mich.*

Held that a charitable institution is liable in tort for personal injuries to strangers to the charity resulting from the negligent operation of an automobile by a servant of the institution. *Phoenix Assurance v. Salvation Army. Ct. of Appeals. Calif. 2nd Dist. Div. 2.*

The question involved responsibility of the father, the owner, for acts of the son, the driver of automobile, in a collision. Held that where doubt is thrown upon the owner's denial of agency, it raises a question for the jury. *Hart v. Brunsahan. Mercer County. Cir. Ct. N. J. 16.*

Where the decedent, a state police officer, was riding a motorcycle at a very high speed in pursuit of a speeding car, held that this did not relieve him from using due care under the circumstances for the safety of himself and others on the highway. If he did not use such due care, there could be no recovery for his death. *Sudbrook v. State. Ct. of Appeals. Md.*

Held that there are no priorities in the use of the roads. A pedestrian has a right to cross a street at a pace no faster than a walk and is not compelled to dodge or scramble to avoid being struck by a vehicle. *Clarkson v. Clark. Ct. of Appeals, Ohio, 8th Dist.*

Plaintiff, while in one of defendant's cars, was injured by overturning of the car. Held, among other things, that if, as claimed by defendant, plaintiff was riding in the car under a collusive agreement with the driver to give him a joy ride free of charge, he was not a passenger and could not recover against defendant. If the relation of carrier and passenger existed, the passenger was under no obligation to exercise care to learn if the driver was intoxicated. *Morris vs. City Transfer & Yellow Taxi Co. Ky. Ct. of appeals.*

These actions were brought by Farr who operated an automobile for the carriage of passengers for hire, and by a passenger in Farr's automobile. Plaintiff's car collided with defendant's car. Plaintiff's car was duly registered, but had no mirror or reflector and was not licensed to carry passengers for hire and could be restrained from continuing business. Held that the failure to have a license did not make plaintiff's vehicle a trespasser on the highway, as it would have been, if it had not been registered, so if using proper care, plaintiff could recover for defendant's negligence. Violation of the criminal law does not prevent recovery unless the violation contributes as a cause to the injury. The neglect of owner of automobile to comply with the law is not a defense against a passenger who is not the owner or operator of the automobile, unless the passenger knew or had cause to know that the statute was violated. *Farr vs. Whitney, Sup. Jud. Ct. Mass.*

Held that in this action for damages for personal injuries, defendant was negligent in driving his auto bus at a rapid rate of speed so close to a car ahead of

him that his view ahead was obstructed to such an extent that when the car ahead slowed down it was necessary for him to drive off the highway onto the dirt on the wrong side, and under such circumstances it cannot be held that a driver coming from the opposite direction was guilty of contributory negligence in failing to stop his car within a distance of 25 feet while defendant's bus was traveling off the highway a distance of 65 feet. *Power vs. Crown Stage Co., Ct. of Appeals, Calif. 2nd Dist. Div. 1.*

Held, among other things, that it was not contributory negligence for a person to cross at a street intersection behind a standing car, without peering around to see if anyone was in the car and whether the motor was running or not. *Berko vs. Berko, Ct. of Appeals, 8th Dist., Ohio.*

Held that the rule of law as to the diligence required by the driver of an automobile in regard to a person riding as an invited guest and in regard to one riding with another upon a common or joint enterprise or purpose is entirely different as is also the rule of due care and caution required of one riding as an invited guest and one riding as a participant in a joint enterprise with the driver. *Walsh vs. Moore, App. Ct. of Ill., 4th Dist.*

Held that a vehicle is approaching an intersection from the right, within meaning of the statute, and is entitled to right-of-way, where, on its left, on an intersecting street, another vehicle is approaching whose driver, in the exercise of due care, would or should see that unless he yields the right-of-way, the vehicles may or will collide. *Bancroft vs. Lewis, App. Ct. of Ill., 4th Dist.*

Policy Was Not Changed

An interesting story was told at the banquet of the Wisconsin Association of Insurance Agents at Milwaukee on Mrs. D. J. O'Keefe, wife of the well known local agent of Fort Wayne, Ind., who was present at the banquet to represent the National Association of Insurance Agents. Mrs. O'Keefe is a very radiant and delightful woman, gowned in exquisite taste. When she was first married she had little knowledge of insurance, but wanted to help her husband in every possible way. Mr. O'Keefe, always alert for business leads, scanned the morning paper before he went to the office to see whether there were any announcements or changes that might lead to a sales call. Mrs. O'Keefe concluded that she would assist her husband in this respect, and so one morning she got hold of the paper and saw that the management of the Lyric theatre in Fort Wayne had changed. She called to her husband, who was shaving, telling him about it, thinking he might desire to know it. He said that he regretted this as his office had the insurance and he feared that owing to the change he might lose it. Mrs. O'Keefe had associated the word "policy" with insurance and being newlywed to the business as well as to a husband, her mind was centered on insurance. With great glee however she told her husband that he need not worry as the paper said the "policy" of the theatre will not be changed.

Boilers Explode After Inspections

Two boilers inspected the previous week exploded Aug. 17 in the plant of the Granite City Steel Works of the National Enameling & Stamping Co. in Granite City, Ill. Twenty laborers were scalded by live steam. Three of the men are not expected to survive.

Made Virginia Manager

R. L. Andrews, who has been in the insurance business at Orange, Va., has been appointed state manager for the Inter-Ocean Casualty in that state. His headquarters will shortly be established in Richmond.

EXPLAINED COVERAGE OF BLANKET BONDS

(CONTINUED FROM PAGE 38)

execution and annually thereafter. Form No. 15 makes no such requirement. The forms give the usual blanket bond coverage and are the broadest forms issued to stock brokers. While they are known as New York Stock Exchange forms, their sale is not confined to New York brokers, but may be sold to a broker in any community.

Bankers Limited Forgery Policies

Supplementing these are forms of protection offered by bankers limited forgery policies which protect against losses through forgery or alteration of savings account withdrawal orders, certified checks and drafts, certificates of deposit and checks or drafts drawn by the bank itself. It does not cover the paper of customers.

The bankers blanket forgery and alteration policy is a comprehensive instrument issued to banks on behalf of and covering certain paper of their depositors as well as checks or drafts drawn by the bank itself.

Safe deposit box burglary and robbery policy covers the bank and lessees for losses sustained through burglary or robbery of safe deposit boxes.

Securities Blanket Policy

Securities blanket policy covers losses sustained by the assured through having acquired by purchase, taken as collateral, sold or disposed of as broker or agent, or transferred, countersigned, validated or registered as transfer agent or registrar, certain securities which have been forged, raised or altered or lost by or embezzled or stolen from the owner. There are two of these forms. Form No. 1 includes securities lost by, embezzled from or stolen from the owner. Form No. 2 is the same as No. 1 except that it excludes coverage of securities lost by, embezzled from or stolen from the owner.

Then, of course, there is the specific bank burglary, robbery, and messenger insurance.

Have Many Different Forms

Insurance agents today have for sale, and must keep in touch with so many different forms and classes of insurance in order to give their clients and prospects the service which must be given, and the protection which is afforded by the different classes which, collectively, insure those clients and prospects against nearly all hazards to which they are subject, that I realize the difficulty of keeping up with all the little details and changes incident to not only surety and fidelity business but the several forms of casualty and fire insurance policies as well. It is nevertheless true that surety business in the past five years has doubled in premium volume in this country.

Should Know the Coverage

A great proportion of those premiums come from banks because the very nature of their business demands that they be protected from every hazard for which protection may be secured. It is therefore, not only to your interest, but a duty which you owe the banks in your community to thoroughly familiarize yourself with the several forms of protection available to them in such a man-

ner that you are in a position to recommend the form or combination of forms which will resolve itself into an insurance plan for the bank, so comprehensive that it will be protected against all insurable hazards.

No Longer a Side Line

There are 21 principal classes of miscellaneous insurance included in the casualty and surety lines. When the fidelity and surety premiums amount to one-seventh of the total premium volume of all these lines as it did last year, fidelity and surety ceases to be a sideline. So if you are not developing it to the extent that it has developed in the past five or six years throughout the country it is respectfully suggested that you discontinue it as a sideline and put it on the main track in your office. It will pay you.

MASSACHUSETTS RATES ARE FOUND ADEQUATE

(CONTINUED FROM PAGE 37)

hearing given the agents and brokers last week, the agents urged the commissioner to increase the acquisition cost so as to allow the agents 12½ percent commission. The brokers at the same time wanted the acquisition figure increased to 27½ and the brokers allowed 17½ percent. The agents presented a compromise of 25 percent, allowing the agents and brokers each 12½ percent and the general agents 10 percent. Commissioner Monk told the agents frankly that he was not concerned with what proportion the agents and brokers received; he only fixed the selling cost, which is 17.2 percent at the present time, and the agents and brokers would have to make their own agreements with the companies.

Not Sympathetic with Brokers

The commissioner made it plain, as he has before, that he does not believe the broker fits in the picture. He asserted there were too many brokers, too many agents and too many companies. As the business is compulsory and every motor car owner has to have the insurance, they should walk into the insurance office and get the insurance without having to bother with any brokers. It is quite probable that the governing committee of the rating bureau, in its recommendations to the commissioner which were filed Monday, may make some recommendations as to allowance of an increase in the acquisition, or selling cost, in order to give the agents a larger commission.

The governing committee of the rating bureau, made up of the representatives of some ten casualty companies, has forwarded the five months' experience to the commissioner. Some idea of the detail of this exhibit may be gained from the fact that there are nine tables, showing the earned car years, earned premium, losses paid, losses incurred (paid and outstanding), number of claims, claim frequency, average claim cost, pure premium and loss ratio, and that these items are shown for each of the three territories and each of the 12 car classifications. Of the latter there are three passenger car classifications and nine commercial car classifications.

The governing committee members, as well as the commissioner, are guarding this exhibit zealously. It is capable

More Evidence of Good Will and Service

Recognizing the constant, prompt and courteous service rendered to Contractors and Architects as well as "Insurance Companies" the ZOURI DRAWN METALS COMPANY has induced the AMERICAN GLASS COMPANY, INC., to represent them as sole distributors in the Chicago territory of their ZOURI STORE FRONT PRODUCTS, including the well known ZOURI SAFETY KEY-SET CONSTRUCTION, listed by the Underwriters' Laboratories.

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FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
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Was It Worth \$5.00?

Union Indemnity Co.,
100 Maiden Lane,
New York City, N. Y.

Gentlemen:

As you know, my husband Anthony Santo who held your policy SA-404815, was killed by an automobile on May 22nd.

Am writing to tell you that Mr. Darcy, your Claim Manager today gave me a check for \$1,000 in full payment of my claim. For my circumstances your quick and fair action has been a Godsend, and I am very thankful.

Sincerely yours,

THERESA SANTO

Union Indemnity Company

NORTHWESTERN
CASUALTY AND SURETY COMPANY

EXECUTIVE OFFICES: Union Indemnity Building, New Orleans
EASTERN DEPARTMENT: 100 Maiden Lane, New York

SEMI-ANNUAL STATEMENTS—CASUALTY AND SURETY

(As Reported to Governor of Georgia)

	Assets	Net Surplus	Income	Disburse.
American Employers	\$ 3,878,599	\$ 389,437	\$ 1,713,410	\$ 974,393
Continental Casualty	17,066,208	2,000,000	8,092,889	6,881,688
Employers Indemnity	3,598,662	440,967	1,490,876	1,734,643
Employer's Liability	33,878,326	6,090,655	15,741,044	12,579,298
Hartford Accd. & Indem.	35,122,272	5,937,628	14,993,903	12,293,587
Hartford Steam Boiler	17,097,975	6,045,751	8,066,073	2,330,271
Hardware Mut. Casualty	2,132,589	506,078	1,203,917	898,569
Independence Indemnity	10,181,387	1,153,012	4,820,216	4,049,567
Ocean Accd. & Guarantee	21,880,660	3,787,241	8,893,679	8,853,901
Lloyds Plate Glass	2,299,514	655,629	530,651	486,926

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard

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RE-INSURANCE UNDERWRITER
111 W. Jackson Blvd. CHICAGO

Blanket Auto Excess Fire Covers in American Companies

of such different interpretations that no chance is being taken of its being used to foment any discord with rates promulgated. But one detail, to date, has escaped from the rating bureau. Some figures for the Ford car, for territory one, the Boston district, got into the daily papers. It showed a loss ratio for

that car for the territory of some 84 percent. It is admitted that certain cars have shown a bad experience in some territories and that the same cars in another territory have a most favorable, almost clean, record.

The governing committee has analyzed the experience, and it is understood most of the work has been put in on the accident frequency in certain localities, with a view to changing territorial lines. The result of this study was given the commissioner this week and he is giving it his study.

One of the features which has not worked out satisfactorily, apparently, is the method of handling the taxicabs. The rate has been high and there has been considerable argument as to whether it has been made on a proper basis. Commissioner Monk has ordered that some other basis of determining the mileage be used in addition to the regular speedometer, dating from Aug. 13, this having been the former basis of determining the premium to be paid. Other plans suggested are the number of trips, consumption of gasoline and tire wear.

In accordance with the law the commissioner must give a public hearing before promulgating new rates for next year, and this hearing must be held some time this month, before he issues the new rates on or before Sept. 1. That hearing has been called for this week. Agents and brokers are expected to be out in force with a plea for allowing higher acquisition costs; taxicab interests are certain to be present to argue for lower rates for their cabs; certain state fund advocates may make a plea for having the business handled by the state. Some localities are also sure to be present to argue for reassignment of their cities or towns in the lower classifications where rates are more favorable.

RATING METHODS AND THE HUMAN FACTOR DISCUSSED (CONTINUED FROM PAGE 3)

think they prove it with an emphasis that may be a little surprising, but shall withhold them for a space.

What constitutes good ownership? I don't mean the character of the owner himself; I use the term in a more general sense, having in mind the interest which the owner has in the preservation

of the property and the degree to which he is able and inclined by his wealth and intellectual ability, as well as his experience in the particular line of business to which the property is devoted, to maintain the property safe against fire. I cannot get away from the conviction that this personal element determines the probability of fire beyond any of the factors which currently enter into the rating of a risk. Moral hazard has just as many gradations as physical hazard. We currently speak of it only when it has reached so high a level as to be a matter of suspecting the honesty of the assured, but it operates as a fire preventive or as an element favoring the accident of fire, throughout a whole range of degrees which determine the acceptability or unacceptability of business, without coming near the area of doubtful honesty.

Not Always Dishonesty

More than that, the moral hazard is not determined by the ownership; it is the sum of the ownership and the property. An honest owner plus a profitable property make a good moral hazard. A dishonest owner plus a profitable property make a possibly acceptable moral hazard—dubious, to be sure, for the reason that we may not care to adjust even an honest loss with a crooked owner. But it doesn't follow at all that a good owner plus an unprofitable property is a good moral hazard. Nor does well-intentioned ignorance plus a hazardous but profitable property make a good moral hazard. For a man or concern of large means, I contend that there are as many variations of moral hazard as he has property interests. No man, no matter how responsible, can feel the same interest in safeguarding against fire hazard in an unprofitable enterprise that he feels regarding the same things in a profitable one. He instinctively does, in the profitable enterprise, the things which he has to watch himself to do in the unprofitable one.

Based on Returns

The interest of the manager or owner is going to be in some way proportional to the returns the business is making, and the fire hazard is going to be kept controlled by that interest to the extent of the ability of the manager or owner and his capacity to realize the importance of organized supervision of things from which the danger of fire appears. The entirely orderly manager not only keeps fire hazard under control, but his very orderliness extends into all his business operations and gives him a larger chance of making a success in whatever line of work he is engaged in. So, taking the ordinary run of properties, those which show systematic administration have the double advantage of probable commercial success and good care.

Hazard Is Definite

So many, many times I have heard men well versed in our business wonder whether they got anywhere by trying to select their business. The good business burned and the bad business did not burn. I have never felt that way. I have gone all along on the theory that a fire hazard was a definite mathematical chance, and that any time one could develop a sufficient number of instances of identical hazard, it would be simple mathematics to show an average incidence of fire from the specific hazard under observation. Also, it would quickly appear that this incidence of fire from the hazard was several times greater in risks under what might be called "C" and "D" quality ownership than it was in risks under "A" and "B" quality ownership. I would let "A" stand for moneyed ownership well managed, and "B" stand for ownership not moneyed but careful. I would let "C" stand for moneyed ownership careless, and "D" stand for neither money nor care.

Analysis Is Made

Now, here is my proof: The institution I am connected with makes from 750 to 1,000 inspections a month in Cook County alone. Counting the general run

of all reports received in our office, we find that about 9 percent of the reports are adverse. This means that about one risk in ten of those which have color enough to call for inspection, stands so far below acceptability as to be avoided in some degree.

We haven't reports on everything that burns, but we have been keeping track of the things that burn that we have reports on. A moment's consideration will show that this should be a pretty good cross section of the type of business on which companies have asked for reports. Now, if there was nothing to be gained by discriminating selection, it should be perfectly clear that the fires should be distributed on reported risks so that about 9 percent of them appear on risks showing reports of adverse character and 91 percent on risks having reports favorable enough for acceptance.

Losses on Adverse Risks

But that isn't the case at all. A record kept over a period of about seven months involves a total of 277 fires in reported risks of all sorts. Of these fires, 63 occurred in risks on which reports were adverse. The ratio of fires in adversely reported risks to all fires in reported risks was 23 percent. Month by month this ratio has never been less than 18 percent, and in some has been as high as 33 percent. So, instead of the expected 9 percent of fires in adversely reported risks and 91 percent of fires in favorably reported risks, we have two and one-half times the frequency of fire in adversely reported risks that we would have reason to expect if discriminating selection did not count. It probably is unnecessary to say that the rates secured on this adversely reported class of risks are not in general higher than the rates secured on ordinary business, except to the extent that the owners of such property are usually less concerned about the elimination of features for which charges are made. They probably are some percentage higher than the rates on ordinary business, but not two and one-half times, nor two times, nor even 50 percent higher.

Rates Do Not Underwrite

So it should be perfectly clear that rates will not do your underwriting. They do, to a considerable extent, take care of differences of hazard arising from features of building construction, and in a measure take care of characteristic differences of occupancy, but the burden of selecting business rests squarely on the underwriter, and unless properties manifesting inferior ownership interest are rejected with mathematical cold-bloodedness, a profit will not be shown.

In the selection of business, every one who has it to do must first establish a background of judgment. This can come only through repeated visits to classes of property of all sorts, made with the idea of finding out how they are operated and what their hazards are, and from that establish a knowledge of what constitutes superior management, average management, and inferior management of premises. Armed with these backgrounds as a basis, you need have little fear of ultimate results.

Lynch Sent to Chicago

John Lynch, from the head office of the United States Casualty, is locating in Chicago to be associated with the general agency of Eldredge, Carolan, Graham & Cleary to take charge of burglary and plate glass production. For the last six months he has been traveling in the field stimulating these departments.

R. N. Crawford & Co. Named

The New York Indemnity announces the appointment of R. N. Crawford & Co. of Chicago as general agents for casualty and surety lines.

Billings Oregon Manager

PORTLAND, ORE., Aug. 24—D. K. Billings for the past seven years casualty underwriter for Bates, Livesly & Pearson, has been named manager of the Oregon branch of the Commercial Casualty of New Jersey, with offices at 1017 Board of Trade building.

Supervisor for exclusive field and agency work.

Travel will be from the Home Office. A worker age 30 to 35 can find something to his liking in the accident and health department of a company with assets over ten million. Successful past experience as a personal producer with agency organization. Experience with the proper references will attract the writers of this ad. Salary and expenses. Address B-81 Care The National Underwriter.

CASUALTY INSURANCE SALESMAN WANTED

An insurance salesman experienced in selling garage and automobile dealer policies on pay roll basis. Man willing to travel and solicit business through local agent. Splendid opportunity for right man with ability and willing to work for one of the largest insurers of automobiles in the Middle West. Salary, commission and expenses. Address: Arthur Wolf, 4136 N. Meridian St., Indianapolis, Indiana.

DO YOU NEED A MAN?

An experienced Field and Agency man, a man who knows agency organization and production? Such a man desires a Branch or Home office connection with a reputable stock company. Excellent references. Address B-77, care of the National Underwriter.

NOW IS THE TIME

To make an agency connection with the
INTER-OCEAN CASUALTY COMPANY
CINCINNATI, OHIO

Celebrating the beginning of its Twenty-fifth Year.

Wonderful Prize offers and Home-Coming.

Special Commercial and Monthly Policies to mark celebration year.

Write Home Office for liberal contracts.

Available territory in thirty-five states

for men of production ability only.

The Commercial Casualty Insurance Company, of Newark, New Jersey, has several openings for Special Agents in the Middlewest territory. We want to employ young, enthusiastic men, preferably single, who have had field and underwriting experience in the Casualty and Surety lines and whose record is clean. To such men who can make good, their future is assured. Reply by mail only, giving your complete history and present salary requirements. Your confidence will be respected. Address C. Clark Howard, Agency Director.

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Pertinent Facts

*Every Agent Knows
or Should Know*

THE Georgia Casualty Company writes all lines of casualty insurance including—Automobile, Burglary, Property Damage, Plate Glass, Liability and Workmen's Compensation.

When the Georgia Casualty speaks of Service — it means service plus, the kind that allows the agent to handle his own property damage adjustments if he so desires, that wins new clients and holds the old ones by a liberal adjustment policy.

The ratio of Assets to Liabilities is most favorable, one of the highest in the United States—denoting financial strength gained through satisfactory service.

The Georgia Casualty operates in thirty-nine states and has Surplus and Reserves to policyholders of \$2,581,582.80.

We want agents where we are not now represented. We can show you why you need us. Information costs you nothing.

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W. E. SMALL - President

Atlanta, Georgia

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PROGRESSIVE AGENCIES AND THOSE WHO
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THE Pennsylvania Casualty Company has attractive territory open for men who desire to sell accident and health insurance with an organization issuing policy contracts free from irritating technicalities and restrictions and covering every kind of accident or disease.

If you are interested in representing a live accident and health company in Pennsylvania, West Virginia, New Jersey, Maryland, Delaware, Ohio, or the District of Columbia, address J. W. Smiley, President and General Manager.

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